

**PT Bank Mandiri (Persero) Tbk.  
and Its Subsidiaries**

Consolidated financial statements as of December 31, 2020  
and for the year then ended with independent auditors' report

**BOARD OF DIRECTORS' STATEMENT  
REGARDING  
THE RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS  
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020  
PT BANK MANDIRI (PERSERO) Tbk. AND SUBSIDIARIES**

PT Bank Mandiri (Persero) Tbk.  
Plaza Mandiri  
Jl. Jend. Gatot Subroto Kav. 36-38  
Jakarta 12190, Indonesia  
Tel. (62-21) 526 5045, 526 5095  
Fax. (62-21) 527 4477, 527 5577  
www.bankmandiri.co.id

We, the undersigned:

1. Name : Darmawan Junaidi  
Office address : Jl. Jend. Gatot Subroto Kav. 36-38  
Jakarta 12190  
Residential address as stated in ID : Jl. Mini III RT 003/ RW 003  
Kelurahan Bambu Apus, Kecamatan Cipayung,  
Kotamadya Jakarta Timur  
Phone number : 021 – 5245577  
Title : President Director
2. Name : Sigit Prastowo  
Office address : Jl. Jend. Gatot Subroto Kav. 36-38  
Jakarta 12190  
Residential address as stated in ID : Jl. Baitis Salmah I No. 16A RT 002/RW 007  
Kelurahan Sawah Baru, Kecamatan Ciputat,  
Kotamadya Tangerang Selatan  
Phone number : 021 – 5245600  
Title : Director

in the above positions acted as and on behalf of the Board of Directors of PT Bank Mandiri (Persero) Tbk. declare that:

1. We are responsible for the preparation and presentation of the consolidated financial statements of PT Bank Mandiri (Persero) Tbk. ("Bank") and Subsidiaries;
2. The consolidated financial statements of the Bank and Subsidiaries have been prepared and presented in accordance with Indonesian Financial Accounting Standard;
3. a. All information in the consolidated financial statements of the Bank and Subsidiaries have been disclosed in a complete and truthful manner;  
b. The consolidated financial statements of the Bank and Subsidiaries do not contain any incorrect information or material facts, nor do they omit information or material fact;
4. We are responsible for the Bank and Subsidiaries' internal control system.

Thus this statement is made truthfully.

Jakarta, January 21, 2021

President Director



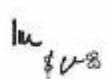
Darmawan Junaidi



Director



Sigit Prastowo



*These consolidated financial statements are originally issued in the Indonesian language.*

**PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2020 AND  
FOR THE YEAR THEN ENDED  
WITH INDEPENDENT AUDITORS' REPORT**

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## Independent Auditors' Report

Report No. 00021/2.1032/AU.1/07/0685-3/1/I/2021

### The Shareholders and the Boards of Commissioners and Directors PT Bank Mandiri (Persero) Tbk.

We have audited the accompanying consolidated financial statements of PT Bank Mandiri (Persero) Tbk. and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2020, and the consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of such consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditors' responsibility

Our responsibility is to express an opinion on such consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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## **Independent Auditors' Report (continued)**

Report No. 00021/2.1032/AU.1/07/0685-3/1/I/2021 (continued)

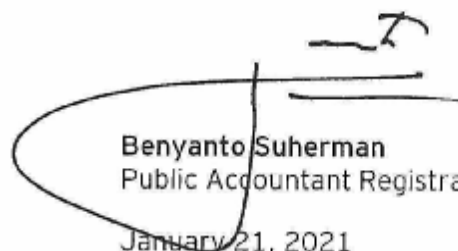
### **Opinion**

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT Bank Mandiri (Persero) Tbk. and its subsidiaries as of December 31, 2020, and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

### **Other matter**

Our audit of the accompanying consolidated financial statements of PT Bank Mandiri (Persero) Tbk. and its subsidiaries as of December 31, 2020 and for the year then ended, was performed for the purpose of forming an opinion on such consolidated financial statements taken as a whole. The accompanying financial information of PT Bank Mandiri (Persero) Tbk. (parent entity), which comprises the statement of financial position as of December 31, 2020, and the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended (collectively referred to as the "Parent Entity Financial Information"), which is presented as a supplementary information to the accompanying consolidated financial statements, is presented for the purpose of additional analysis and is not a required part of the accompanying consolidated financial statements under Indonesian Financial Accounting Standards. The Parent Entity Financial Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the accompanying consolidated financial statements. The Parent Entity Financial Information has been subjected to the auditing procedures applied in the audit of the accompanying consolidated financial statements in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. In our opinion, the Parent Entity Financial Information is fairly stated, in all material respects, in relation to the accompanying consolidated financial statements taken as a whole.

**Purwantono, Sungkoro & Surja**



**Benyanto Suherman**  
Public Accountant Registration No. AP.0685  
January 21, 2021

These consolidated financial statements are originally issued in the Indonesian language.

**PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As of December 31, 2020**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	<u>Notes</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<b>ASSETS</b>			
Cash	2c,2g,63.B.(vii)	24,682,671	28,094,267
Current accounts with Bank Indonesia	2c,2g,2h,4	49,638,625	46,490,930
Current accounts with other banks	2c,2f,2g,2h,5		
Related parties	57	11,801	4,493
Third parties		24,036,570	12,558,997
		24,048,371	12,563,490
Less: allowance for impairment losses		(71,044)	(5,193)
Net		23,977,327	12,558,297
Placements with Bank Indonesia and other banks	2c,2f,2i,6		
Related parties	57	3,132,589	1,499,924
Third parties		76,680,780	36,116,511
		79,813,369	37,616,435
Less: allowance for impairment losses		(46,772)	(47,675)
Net		79,766,597	37,568,760
Marketable securities	2c,2f,2j,7		
Related parties	57	25,953,136	27,377,257
Third parties		53,606,410	43,789,655
		79,559,546	71,166,912
Add: unamortised discounts, unrealised gains/(losses) - net from increase/(decrease) in fair value and allowance for impairment losses		341,224	96,456
Net		79,900,770	71,263,368
Government bonds - net			
Related parties	2c,2f,2k,8,57	159,690,627	129,000,300
Other receivables - trade transactions	2c,2f,2l,9		
Related parties	57	14,016,134	14,186,619
Third parties		15,979,730	16,229,083
		29,995,864	30,415,702
Less: allowance for impairment losses		(1,687,776)	(1,311,591)
Net		28,308,088	29,104,111

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

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**PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**  
**As of December 31, 2020**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	<u>Notes</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<b>ASSETS (continued)</b>			
Securities purchased under agreements to resell			
Third parties	2c,2m,10	55,094,456	1,955,363
Derivative receivables	2c,2f,2n,11		
Related parties	57	199,976	18,817
Third parties		2,378,971	1,598,659
		<u>2,578,947</u>	<u>1,617,476</u>
Loans and sharia receivables/financing	2c,2f,2o,12		
Related parties	57	174,023,228	171,384,121
Third parties		696,122,237	714,451,116
		<u>870,145,465</u>	<u>885,835,237</u>
Less: allowance for impairment losses		(62,271,102)	(29,988,393)
Net		<u>807,874,363</u>	<u>855,846,844</u>
Consumer financing receivables	2c,2f,2p,13		
Related parties	57	6,867	6,758
Third parties		19,071,541	18,558,948
		<u>19,078,408</u>	<u>18,565,706</u>
Less: allowance for impairment losses		(428,509)	(354,618)
Net		<u>18,649,899</u>	<u>18,211,088</u>
Net investment finance leases	2c,2q,14		
Third parties		3,581,422	3,055,071
Less: allowance for impairment losses		(58,955)	(7,982)
Net		<u>3,522,467</u>	<u>3,047,089</u>
Acceptance receivables	2c,2f,2u,15		
Related parties	57	1,023,452	1,198,875
Third parties		9,133,057	9,080,964
		<u>10,156,509</u>	<u>10,279,839</u>
Less: allowance for impairment losses		(122,825)	(221,804)
Net		<u>10,033,684</u>	<u>10,058,035</u>

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**PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**  
**As of December 31, 2020**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	<u>Notes</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<b>ASSETS (continued)</b>			
Investments in shares	2f,2s,16		
Related parties	57	1,799,313	112,298
Third parties		465,323	506,631
		<u>2,264,636</u>	<u>618,929</u>
Less: allowance for impairment losses		(14,619)	(12,919)
Net		2,250,017	606,010
Prepaid expenses	17	1,328,051	3,012,550
Prepaid taxes	2ad,33a	2,178,758	1,176,600
Fixed assets	2r.i,2r.ii,18	62,006,223	57,657,529
Less: accumulated depreciation		(15,278,070)	(13,045,330)
Net		46,728,153	44,612,199
Intangible assets	2r.iii,2s,19	9,157,842	7,114,887
Less: accumulated amortisation		(4,637,223)	(3,793,603)
Net		4,520,619	3,321,284
Other assets	2c,2t,2v,2af,20	21,748,951	17,373,411
Less: allowance for other impairment losses		(721,357)	(623,357)
Net		21,027,594	16,750,054
Deferred tax assets - net	2ad,33e	7,582,771	3,951,710
<b>TOTAL ASSETS</b>		<b><u>1,429,334,484</u></b>	<b><u>1,318,246,335</u></b>

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**PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**  
**As of December 31, 2020**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	<u>Notes</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<b>LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY</b>			
<b>LIABILITIES</b>			
Obligations due immediately	2w	4,286,333	3,169,451
Deposits from customers			
Demand deposits and <i>wadiah</i>			
demand deposits	2c,2f,2x,21		
Related parties	57	89,393,039	60,118,497
Third parties		215,057,252	187,325,770
Total		304,450,291	247,444,267
Saving deposits and <i>wadiah</i>			
saving deposits	2c,2f,2x,22		
Related parties	57	3,808,514	3,307,760
Third parties		347,553,677	321,180,312
Total		351,362,191	324,488,072
Time deposits	2c,2f,2x,23		
Related parties	57	48,559,521	34,132,147
Third parties		259,221,759	244,043,859
Total		307,781,280	278,176,006
Total deposits from customers		963,593,762	850,108,345
Deposits from other banks			
Demand deposits, <i>wadiah</i>			
demand deposits			
and saving deposits	2c,2f,2y,24		
Related parties	57	49,162	148,557
Third parties		4,073,468	7,599,711
Total		4,122,630	7,748,268
Interbank call money -			
Third parties	2c,2y,25	655,829	219,360
Time deposits	2c,2y,26		
Third parties		1,891,237	5,430,238
Total deposits from other banks		6,669,696	13,397,866
Liabilities to unit-linked policyholders	2z,27	27,850,536	24,037,658

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**PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**  
**As of December 31, 2020**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	Notes	December 31, 2020	December 31, 2019
<b>LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY (continued)</b>			
<b>LIABILITIES (continued)</b>			
Securities sold under agreements to repurchase Third parties	2c,2m,28,66	1,330,068	3,782,055
Derivative payables	2c,2f,2n,11,		
Related parties	57	131,127	42,505
Third parties		1,439,379	1,152,517
Total		1,570,506	1,195,022
Acceptance payables	2c,2f,2u,29		
Related parties	57	1,745,968	2,076,355
Third parties		8,410,541	8,203,484
Total		10,156,509	10,279,839
Debt securities issued	2c,2f,2aa,30		
Related parties	57,66	10,091,100	10,696,100
Third parties		28,091,663	21,620,405
		38,182,763	32,316,505
Less: unamortised debt issuance cost		(71,291)	(71,235)
Net		38,111,472	32,245,270
Estimated losses on commitment and contingencies	2c,31c	3,471,534	386,039
Accrued expenses	2c,2af,32	5,650,785	6,215,561
Taxes payable	2ad,33b	1,761,477	1,286,973
Employee benefit liabilities	2ai,34,52	7,441,958	7,586,150
Provision	64b	546,237	405,312
Other liabilities	2c,35	25,365,319	16,861,260
Fund borrowings			
Related parties	2c,2f,2ab,36	1,168,181	984,974
Third parties	57,66	51,642,508	53,143,588
Net		52,810,689	54,128,562

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**PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**  
**As of December 31, 2020**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	Notes	December 31, 2020	December 31, 2019
<b>LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY (continued)</b>			
<b>LIABILITIES (continued)</b>			
Subordinated loans and marketable securities	2c,2f,2ac,37		
Related parties	57,66	107,750	127,750
Third parties		543,873	537,295
		651,623	665,045
Less: unamortised subordinated loans and marketable securities		(657)	(828)
Net		650,966	664,217
<b>TOTAL LIABILITIES</b>		<b>1,151,267,847</b>	<b>1,025,749,580</b>
<b>TEMPORARY SYIRKAH FUNDS</b>			
2f,2ae,38			
Deposits from customers			
Related parties	57		
Demand deposits - restricted investment and <i>mudharabah</i> saving deposits - unrestricted investment	38a.1	640,965	-
Saving deposits - restricted investment and <i>mudharabah</i> saving deposits - unrestricted investment	38a.2a	154,993	207,504
<i>Mudharabah</i> time deposits - unrestricted investment	38a.3	3,325,932	1,526,416
		4,121,890	1,733,920
Third parties			
Demand deposits - restricted investments and <i>mudharabah musyarakah - musyarakah</i> demand deposits	38a.1	272,962	2,969,820
Saving deposits - restricted investment and <i>mudharabah</i> saving deposits - unrestricted investment	38a.2a	39,177,458	34,465,922
<i>Mudharabah</i> time deposits - unrestricted investment	38a.3	40,152,158	43,846,541
		79,602,578	81,282,283
Total deposits from customers		83,724,468	83,016,203

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**PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**  
**As of December 31, 2020**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	Notes	December 31, 2020	December 31, 2019
<b>LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY (continued)</b>			
<b>TEMPORARY SYIRKAH FUNDS (continued)</b>			
Deposits from other Banks			
Related parties			
<i>Mudharabah</i> saving deposit - unrestricted investment	38b	14,740	-
<i>Mudharabah</i> time deposit - unrestricted investment	38b	19,000	-
		33,740	-
Third parties			
<i>Mudharabah</i> saving deposit - unrestricted investment	38b	323,320	343,098
<i>Mudharabah</i> time deposit - unrestricted investment	38b	189,026	102,929
Total deposits from other banks		512,346	446,027
		546,086	446,027
<b>TOTAL TEMPORARY SYIRKAH FUNDS</b>		<b>84,270,554</b>	<b>83,462,230</b>
<b>EQUITY</b>			
Attributable equity of the Parent Entity			
Share capital - Rp250 (full amount)			
par value per share as of December 31, 2020 and 2019			
Authorized Capital - 1 share			
Dwiwarna Series A and 63,999,999,999 common shares series B as of December 31, 2020 and 2019			
Issued and fully paid-in capital - 1 share Dwiwarna Series A and 46,666,666,665 common shares Series B as of December 31, 2020 and 2019	40a	11,666,667	11,666,667
Additional paid-in capital/agio	40b	17,316,192	17,316,192
Treasury stock	1f, 2am,40d	(150,895)	-
Differences arising from translation of financial statements in foreign currencies	2e	(116,030)	13,388

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**PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**  
**As of December 31, 2020**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	<u>Notes</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<b>LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY (continued)</b>			
<b>EQUITY (continued)</b>			
Net unrealised gain from increase in fair value of marketable securities and government bonds - net of deferred tax			
Fair value through other comprehensive income	2j,2k	4,430,509	-
Available for sale	2j,2k	-	1,385,796
Effective portion of cash flow hedges	2n,11	(15,319)	(30,045)
Net differences in fixed assets revaluation	2r.i,18	30,309,583	30,306,255
Net actuarial gain from defined benefit program - net of deferred tax	2ai,34,52	1,067,143	653,489
Other comprehensive income		85,052	85,052
Difference in transactions with non controlling parties	1g	(106,001)	(106,001)
Retained earnings (accumulated losses of Rp162,874,901 were eliminated against additional paid-in capital/agio as a result of quasi-reorganisation on April 30, 2003)			
Appropriated		5,380,268	5,380,268
Unappropriated		119,275,783	137,929,792
Total retained earnings		124,656,051	143,310,060
		189,142,952	204,600,853
Noncontrolling interests in net assets of consolidated Subsidiaries	2d,39	4,653,131	4,433,672
<b>TOTAL EQUITY</b>		<b>193,796,083</b>	<b>209,034,525</b>
<b>TOTAL LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY</b>		<b>1,429,334,484</b>	<b>1,318,246,335</b>

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

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**PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**AND OTHER COMPREHENSIVE INCOME**  
**For the year ended December 31, 2020**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	Notes	Year ended December 31,	
		2020	2019
<b>INCOME AND EXPENSE FROM OPERATIONS</b>			
Interest income and sharia income	2f,2af,41,57		
Interest income		80,093,037	84,431,175
Sharia income		7,228,080	7,093,915
Total interest income and sharia income		87,321,117	91,525,090
Interest expense and sharia expense	2f,2af,42,57		
Interest expense		(28,222,605)	(29,070,226)
Sharia expense		(2,590,383)	(3,014,676)
Total interest expense and sharia expense		(30,812,988)	(32,084,902)
<b>NET INTEREST AND SHARIA INCOME</b>		<b>56,508,129</b>	<b>59,440,188</b>
Premium income	2ag	12,890,360	11,113,650
Claim expense	2ag	(11,376,645)	(9,306,147)
<b>NET PREMIUM INCOME</b>		<b>1,513,715</b>	<b>1,807,503</b>
<b>NET INTEREST, SHARIA AND PREMIUM INCOME</b>		<b>58,021,844</b>	<b>61,247,691</b>
Other operating income			
Other fees and commissions	2ah, 43	12,943,683	14,216,435
Net income from fair value through profit or loss classification	2c,2e,2n,44	5,530,909	3,871,620
Others	45	9,211,290	8,402,343
Total other operating income		27,685,882	26,490,398
Allowance for impairment losses	2c,46	(21,354,847)	(11,742,986)
Provision for impairment losses on commitments and contingencies	2c,31c	(1,221,532)	(262,215)
Provision for other allowances	2t,47	(319,766)	(67,262)
Unrealised gain from increase in fair value of policyholders investment in unit-link contracts	2j,2k,2z,48	12,487	8,205

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**PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**AND OTHER COMPREHENSIVE INCOME (continued)**  
**For the year ended December 31, 2020**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	Notes	Year ended December 31,	
		2020	2019
<b>INCOME AND EXPENSE FROM OPERATIONS (continued)</b>			
Gains on sale of marketable securities and government bonds	2j,2k,49	999,026	853,850
Other operating expenses	2f,2ai,		
Salaries and benefits	50,52,57	(17,770,433)	(17,221,046)
General and administrative expenses	2r,51	(17,322,716)	(17,635,053)
Others - net	53	(5,553,642)	(5,220,068)
Total other operating expenses		(40,646,791)	(40,076,167)
<b>INCOME FROM OPERATION</b>		<b>23,176,303</b>	<b>36,451,514</b>
Non operating income/(expense) - net	54	121,738	(10,074)
<b>INCOME BEFORE TAX EXPENSE AND NONCONTROLLING INTEREST</b>		<b>23,298,041</b>	<b>36,441,440</b>
Tax expense			
Current	2ad,33c,33d		
Current year		(5,035,377)	(7,433,937)
Prior year	33f	(175,592)	(201,197)
Deferred	2ad,33c,33e	(441,448)	(350,714)
Total tax expense - net		(5,652,417)	(7,985,848)
<b>NET INCOME FOR THE YEAR</b>		<b>17,645,624</b>	<b>28,455,592</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Gains on fixed asset revaluation	2r.i	3,328	3,870,948
Actuarial gain from defined benefit program	2ai	507,207	368,663
Income tax related to items that will not be reclassified to profit or loss		(89,107)	(72,032)
Others		-	85,052
		421,428	4,252,631
<b>Items that will be reclassified to profit or loss</b>			
Difference arising from translation of financial statements in foreign currencies	2e	(129,324)	(100,228)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

These consolidated financial statements are originally issued in the Indonesian language.

**PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**AND OTHER COMPREHENSIVE INCOME (continued)**  
**For the year ended December 31, 2020**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	Notes	Year ended December 31,	
		2020	2019
<b>OTHER COMPREHENSIVE INCOME (continued)</b>			
<b>Items that will be reclassified to profit or loss (continued)</b>			
Changes in fair value of fair value through other comprehensive income financial assets	2j,2k	3,776,631	-
Changes in fair value of available for sale financial assets	2j,2k	-	3,819,305
Effective portion of cash flow hedge	2n	37,019	(34,028)
Income tax related to items that will be reclassified to profit or loss		(678,923)	(726,604)
		3,005,403	2,958,445
<b>Other comprehensive income for the year - net of income tax</b>		<b>3,426,831</b>	<b>7,211,076</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>21,072,455</b>	<b>35,666,668</b>
<b>Net income for the year attributable to:</b>			
Parent Entity		17,119,253	27,482,133
Noncontrolling interest	2d	526,371	973,459
		<b>17,645,624</b>	<b>28,455,592</b>
<b>Total comprehensive income for the year attributable to:</b>			
Parent Entity		20,466,256	34,655,095
Noncontrolling interest	2d	606,199	1,011,573
		<b>21,072,455</b>	<b>35,666,668</b>
<b>EARNINGS PER SHARE</b>			
Basic (full amount of Rupiah)	2aj	367.04	588.90
Diluted (full amount of Rupiah)		367.04	588.90

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.



These consolidated financial statements are originally issued in the Indonesian language.

**PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the year ended December 31, 2020**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

Notes	Issued and fully paid-in capital	Additional paid-in capital/agio	Treasury stock	Differences arising from translation of financial statements in foreign currencies	Net unrealised gain from increase in fair value through other comprehensive income marketable securities and government bonds - net of deferred tax	Effective portion of cash flow hedge	Net differences in fixed assets revaluation	Net actuarial gain from defined benefit program - net of deferred tax	Other comprehensive income	Difference in transaction with noncontrolling parties	Retained earnings		Total	Noncontrolling interests in net assets of consolidated Subsidiaries	Total Equity
											Appropriated	Unappropriated			
<b>Balance as of January 1, 2020</b>	11,666,667	17,316,192	-	13,388	1,385,796	(30,045)	30,306,255	653,489	85,052	(106,001)	5,380,268	137,929,792	143,310,060	4,433,672	209,034,525
Impact of implementation SFAS 71 - net	68	-	-	-	-	-	-	-	-	-	-	(19,283,982)	(19,283,982)	-	(19,283,982)
<b>Balance as of January 1, 2020 after implementation of SFAS 71</b>	11,666,667	17,316,192	-	13,388	1,385,796	(30,045)	30,306,255	653,489	85,052	(106,001)	5,380,268	118,645,810	124,026,078	4,433,672	189,750,543
Dividend payment from 2019 net income	40c	-	-	-	-	-	-	-	-	-	-	(16,489,280)	(16,489,280)	-	(16,489,280)
Treasury stock	1f,40d	-	-	(150,895)	-	-	-	-	-	-	-	-	-	-	(150,895)
Changes in noncontrolling interest arising from distribution of dividend and changes in Subsidiary's equity	2d	-	-	-	-	-	-	-	-	-	-	-	-	(386,740)	(386,740)
Income for the current year	-	-	-	-	-	-	-	-	-	-	-	17,119,253	17,119,253	526,371	17,645,624
Comprehensive income for the current year	-	-	-	(129,418)	3,044,713	14,726	3,328	413,654	-	-	-	-	-	79,828	3,426,831
<b>Balance as of December 31, 2020</b>	11,666,667	17,316,192	(150,895)	(116,030)	4,430,509	(15,319)	30,309,583	1,067,143	85,052	(106,001)	5,380,268	119,275,783	124,656,051	4,653,131	193,796,083

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

These consolidated financial statements are originally issued in the Indonesian language.

**PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)**  
**For the year ended December 31, 2020**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	Notes	Issued and fully paid-in capital	Additional paid-in capital/agio	Difference arising from translation of financial statements in foreign currencies	Net unrealised gain/(loss) from increase/(decrease) in fair value on available for sale marketable securities and government bonds - net of deferred tax	Effective portion cash flow hedge	Net differences in fixed assets revaluation	Net actuarial gain from defined benefit program-net of deferred tax	Other comprehensive income	Difference in transaction with noncontrolling parties	Retained earnings			Noncontrolling interests in net assets of consolidated Subsidiaries	Total Equity
											Appropriated	Unappropriated	Total		
<b>Balance as of January 1, 2019</b>		<b>11,666,667</b>	<b>17,316,192</b>	<b>112,171</b>	<b>(1,638,088)</b>	<b>(17,030)</b>	<b>26,435,307</b>	<b>348,613</b>	<b>-</b>	<b>(106,001)</b>	<b>5,380,268</b>	<b>121,704,418</b>	<b>127,084,686</b>	<b>3,757,788</b>	<b>184,960,305</b>
Dividend payment from 2018 net income	40c	-	-	-	-	-	-	-	-	-	-	(11,256,759)	(11,256,759)	-	(11,256,759)
Changes in noncontrolling interest arising from distribution of dividend and changes in Subsidiary's equity	2d	-	-	-	-	-	-	-	-	-	-	-	-	(335,689)	(335,689)
Income for the current year		-	-	-	-	-	-	-	-	-	-	27,482,133	27,482,133	973,459	28,455,592
Comprehensive income for the current year		-	-	(98,783)	3,023,884	(13,015)	3,870,948	304,876	85,052	-	-	-	-	38,114	7,211,076
<b>Balance as of December 31, 2019</b>		<b>11,666,667</b>	<b>17,316,192</b>	<b>13,388</b>	<b>1,385,796</b>	<b>(30,045)</b>	<b>30,306,255</b>	<b>653,489</b>	<b>85,052</b>	<b>(106,001)</b>	<b>5,380,268</b>	<b>137,929,792</b>	<b>143,310,060</b>	<b>4,433,672</b>	<b>209,034,525</b>

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

These consolidated financial statements are originally issued in the Indonesian language.

**PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the year ended December 31, 2020**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	Notes	Year ended December 31,	
		2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from interest income		75,240,707	80,611,352
Receipts from sharia income		8,614,868	7,131,796
Receipts from provision, commissions and premium income - net		14,457,398	16,023,938
Payments of interest expense		(28,486,124)	(28,769,875)
Payments of sharia expense		(2,593,936)	(2,987,143)
Receipts from the sale of government bonds - fair value through profit or loss		225,404,435	127,549,079
Acquisition of government bonds - fair value through profit or loss		(227,001,848)	(128,375,141)
Foreign exchange gains - net		2,501,907	2,414,433
Income from fair value through profit or loss - net		1,036,870	779,664
Other operating income - others		4,888,341	3,529,280
Other operating expenses - others		(5,042,333)	(3,387,910)
Salaries and employee benefits		(17,500,971)	(17,317,907)
General and administrative expenses		(14,967,827)	(15,575,697)
Non-operating (expense)/income - net		112,231	(22,603)
Payment of corporate income tax		(4,629,345)	(7,551,004)
Cash flows from operating activities before changes in operating assets and liabilities		32,034,373	34,052,262
Decrease/(increase) in operating assets:			
Placements with Bank Indonesia and other banks		193,399	359,212
Marketable securities - fair value through profit or loss		(4,942,953)	(7,203,658)
Other receivables - trade transactions		419,838	(4,002,645)
Loans		12,882,253	(89,102,373)
Sharia financing/receivables		(7,503,528)	(9,764,609)
Securities purchased under agreements to resell		(53,139,093)	142,266
Consumer financing receivables		(1,423,147)	(2,088,779)
Net investment finance lease		(567,294)	249,143
Prepaid taxes		(1,002,158)	59,427
Prepaid expenses		1,684,499	(154,364)
Other assets		(4,074,819)	1,754,709
Recovery of written-off financial assets		4,441,766	5,018,924
Increase/(decrease) in operating liabilities and temporary <i>syirkah</i> funds:			
Conventional banking			
Demand deposits		57,292,004	46,976,850
Saving deposits		22,962,501	21,759,264
Time deposits		26,066,273	20,520,226
Interbank call money		436,469	(8,252,837)
Obligations due immediately		1,116,882	(673,743)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

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**PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS (continued)**  
**For the year ended December 31, 2020**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	Notes	Year ended December 31,	
		2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES (continued)</b>			
Increase/(decrease) in operating liabilities and temporary <i>syirkah</i> funds (continued):			
Liability to unit - linked policyholders	27	3,812,878	1,679,856
Other taxes payable		(107,120)	114,894
Other liabilities		10,669,490	4,400,324
Sharia bank - temporary <i>syirkah</i> funds			
Demand deposit - restricted investment and demand deposit <i>mudharabah musytarakah - musyarakah</i>		(2,055,893)	2,287,578
Saving deposit - restricted investment and <i>mudharabah</i> saving deposit - unrestricted investment		4,653,987	3,420,792
<i>Mudharabah</i> time deposit - unrestricted investment		(1,789,770)	2,415,171
<b>Net cash provided by operating activities</b>		<b>102,060,837</b>	<b>23,967,890</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Increase in marketable securities - other than fair value through profit or loss		(3,602,946)	(1,423,112)
Increase in government bonds - other than fair value through profit or loss		(25,049,176)	(10,011,890)
Proceeds from sale of fixed assets		563,415	17,710
Acquisition of fixed assets		(2,277,013)	(3,685,566)
Acquisition of intangible assets		(1,619,270)	(1,149,030)
Acquisition of use rights assets <sup>*)</sup>		(1,328,381)	-
<b>Net cash used in investing activities</b>		<b>(33,313,371)</b>	<b>(16,251,888)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase of investment in Subsidiaries		(1,960,317)	(514,742)
Increase in debt securities issued		5,721,589	13,379,710
(Decrease)/increase in fund borrowings		(980,479)	3,865,402
(Decrease)/increase in subordinated loans and marketable securities		(15,829)	(15,406)
(Decrease)/increase in securities sold under agreements to repurchase	28	(2,593,152)	(12,330,221)
Payments of dividends	40c	(16,489,280)	(11,256,759)
Purchase of treasury stock	1f, 40d	(150,895)	-
<b>Net cash used in financing activities</b>		<b>(16,468,363)</b>	<b>(6,872,016)</b>

<sup>\*)</sup> Related to the application of SFAS 73 "Leases"

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

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**PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS (continued)**  
**For the year ended December 31, 2020**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	Notes	Year ended December 31,	
		2020	2019
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>52,279,103</b>	<b>843,986</b>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		<b>1,292,731</b>	<b>(1,728,922)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR</b>		<b>123,792,750</b>	<b>124,677,686</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>		<b>177,364,584</b>	<b>123,792,750</b>
Cash and cash equivalents at end of year consists of:			
Cash	63.B.(vii)	24,682,671	28,094,267
Current accounts with Bank Indonesia	4	49,638,625	46,490,930
Current accounts with other banks	5	24,048,371	12,563,490
Liquid short-term investments are with maturity period of three months or less since the date of acquisition		78,994,917	36,644,063
<b>Total cash and cash equivalents</b>		<b>177,364,584</b>	<b>123,792,750</b>

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

**PT BANK MANDIRI (PERSERO) Tbk. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As of December 31, 2020 and for the year then ended**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

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## **1. GENERAL INFORMATION**

### **a. Establishment**

PT Bank Mandiri (Persero) Tbk. (hereinafter referred to as “Bank Mandiri” or the “Bank”) was established on October 2, 1998 in the Republic of Indonesia based on notarial deed No. 10 of Sutjipto, S.H., under Government Regulation No. 75 of 1998 dated October 1, 1998. The deed of establishment was approved by the Ministry of Justice of the Republic of Indonesia in its Decision Letter No. C2-16561.HT.01.01.TH.98 dated October 2, 1998 and was published in Supplement No. 6859 of State Gazette of the Republic of Indonesia No. 97 dated December 4, 1998.

Bank Mandiri was established through the merger of PT Bank Bumi Daya (Persero) (“BBD”), PT Bank Dagang Negara (Persero) (“BDN”), PT Bank Ekspor Impor Indonesia (Persero) (“Bank Exim”) and PT Bank Pembangunan Indonesia (Persero) (“Bapindo”) (hereinafter collectively referred to as the “Merged Banks”).

Based on Article 3 of the Bank’s Articles of Association, Bank Mandiri is engaged in banking activities in accordance with prevailing laws and regulations. The Bank commenced its operations on August 1, 1999. The Bank’s Parent Entity is the Government of the Republic of Indonesia through the Ministry of State-Owned Enterprises which is the Ministry within the Indonesian Government in charge of fostering state-owned enterprises.

The Bank’s Articles of Association of Bank Mandiri has been amended several times, the latest amendment under Deed of Annual General Meeting of Shareholders No. 21, dated April 11, 2018 stated under Notary Ashoya Ratam SH, Mkn, in South Jakarta, in regards to the Ministry of State Owned Enterprises’s (“BUMN”) Program to implement the standardisation of the BUMN’s Articles of Association. This amendment has been approved by the Ministry of Laws and Human Rights of the Republic of Indonesia, in its Decision Letter No. AHU-AH.01.03-0172245 regarding the Acceptance on Notification of the changes of the Bank’s Articles of Association of PT Bank Mandiri (Persero) Tbk dated April 30, 2018 and registered on No. AHU-0061310.AH.01.11 year 2018, dated April 30, 2018.

### **b. Merger**

At the end of February 1998, the Government of the Republic of Indonesia (hereinafter referred to as “Government”) announced its plan to restructure the Merged Banks. In connection with the restructuring plan, the Government established Bank Mandiri in October 1998 through the payment of cash and the acquisition of the Government’s shares of stock of the Merged Banks (Notes 40a and 40b). The difference between the transfer price and the book value of the shares of stock at the time of the restructuring was not calculated as it was considered not practicable to do so. All losses incurred during the year of restructuring were taken into account in the Recapitalisation Program.

The restructuring plan was designed for the merger of the Merged Banks into Bank Mandiri on July 1999 and the recapitalisation of Bank Mandiri. The restructuring of the Merged Banks into Bank Mandiri also covered the following:

- Restructuring of loans
- Restructuring of non-loan assets
- Rationalisation of domestic and overseas offices
- Rationalisation of human resources

**PT BANK MANDIRI (PERSERO) Tbk. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**(Expressed in millions of Rupiah, unless otherwise stated)**

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**1. GENERAL INFORMATION (continued)**

**b. Merger (continued)**

Based on the notarial deed of Sutjipto, S.H., No. 100 dated July 24, 1999, the Merged Banks were legally merged into Bank Mandiri. The Merger Deed was legalised by the Ministry of Justice of the Republic of Indonesia in its Decision Letter No. C-13.781.HT.01.04.TH.99 dated July 29, 1999 and approved by the Governor of Bank Indonesia in its Decision Letter No. 1/9/KEP.GBI/1999 dated July 29, 1999. The merger was declared effective by the Chief of the South Jakarta Ministry of Industry and Trade Office in its Decision Letter No. 09031827089 dated July 31, 1999.

Effective from the date of the merger:

- All assets and liabilities of the Merged Banks were transferred to Bank Mandiri as the Surviving Bank;
- All operations and business activities of the Merged Banks were transferred and operated by Bank Mandiri;
- Bank Mandiri received additional paid-in capital amounted to Rp1,000,000 (one million Rupiah) (full amount) or equivalent to 1 (one) share representing the remaining shares owned by the Government in the Merged Banks (Notes 40a and 40b).

On the effective date, the Merged Banks were legally dissolved without liquidation process and Bank Mandiri, as the surviving bank, received all the rights and obligations from the Merged Banks.

**c. Recapitalisation**

In response to the effects of the adverse economic conditions on the banking sector in Indonesia, on December 31, 1998, the Government issued Regulation No. 84 of 1998 regarding Recapitalisation Program for Commercial Banks, which was designed to increase the paid-in capital of commercial banks to enable them to meet the minimum requirement of Capital Adequacy Ratio ("CAR"). The eligibility of commercial banks for inclusion in the Recapitalisation Program is based on requirements and procedures set forth in the Joint Decrees No. 53/KMK.017/1999 and No. 31/12/KEP/GBI dated February 8, 1999 of the Ministry of Finance and the Governor of Bank Indonesia. Under the Joint Decrees, the Government, among others, shall implement the Recapitalisation Program for Commercial Banks with respect to all State-Owned Banks, Regional Development Banks, and Commercial Banks, with the status of "Taken Over Bank", by the Indonesian Bank Restructuring Agency (Badan Penyehatan Perbankan Nasional or "BPPN").

On May 28, 1999, the Government issued Regulation No. 52 of 1999 (PP No. 52/1999) regarding additional capital investment by the Government of Republic of Indonesia in Bank Mandiri through issuance of Government Recapitalisation Bonds to be issued then by the Ministry of Finance with a value of up to Rp137,800,000. The implementation of PP No. 52/1999 was set forth in Joint Decrees No. 389/KMK.017/1999 and No. 1/10/KEP/GBI dated July 29, 1999 of the Ministry of Finance and the Governor of Bank Indonesia.

While the Government Recapitalisation Bonds had not yet been issued, at the point in time, Bank Mandiri accounted the bonds as "Due from the Government" amounted to Rp137,800,000 in accordance with the Government's Commitment through the Ministry of Finance's letter No. S-360/MK.017/1999 dated September 29, 1999 and the approval of the Ministry of State-Owned Enterprises in letter No. S-510/M-PBUMN/1999 dated September 29, 1999.

**PT BANK MANDIRI (PERSERO) Tbk. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**(Expressed in millions of Rupiah, unless otherwise stated)**

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**1. GENERAL INFORMATION (continued)**

**c. Recapitalisation (continued)**

Based on Bank Indonesia Letter No. 1/1/GBI/DPIP dated October 11, 1999, concerning the issuance of Government Bonds/Debentures in connection with the Government of Republic of Indonesia's investment in Bank Mandiri, Bank Indonesia agreed to include the above receivable as Bank Mandiri's core capital (Tier 1) for the purposes of calculating its Capital Adequacy Ratio (CAR) as of July 31, 1999 through September 30, 1999, with a condition that not later than October 15, 1999 the Government Bonds/Debentures should have been received by Bank Indonesia.

Based on Government Regulation No. 97 of 1999 dated December 24, 1999 concerning the increase in capital of the Government in Bank Mandiri in relation to the Recapitalisation Program, the Government increased its investment to a maximum of Rp42,200,000, so that the total maximum investment amounted to Rp180,000,000.

In relation to the implementation of the above Government Regulations No. 52 and No. 97 of 1999, in the Temporary Recapitalisation Agreement between the Government and Bank Mandiri and its amendment, the Government issued Government Recapitalisation Bonds in 2 (two) tranches of Rp103,000,000 on October 13, 1999 and Rp75,000,000 on December 28, 1999 so that as of December 31, 1999 the total Government Recapitalisation Bonds issued in accordance with the aforementioned agreements amounted to Rp178,000,000.

Based on the Management Contract dated April 8, 2000 between Bank Mandiri and the Government, the total amount of recapitalisation required by Bank Mandiri was Rp173,931,000, or less than the amount of the Government Recapitalisation Bonds. The excess of Rp1,412,000 was used as additional paid-in capital and the remaining balance of Rp2,657,000 was returned to the Government on July 7, 2000 in the form of Government Recapitalisation Bonds equivalent to 2,657,000 (two million six hundred and fifty seven thousand) units.

Based on the Letter of the Ministry of Finance of the Republic of Indonesia No. S-174/MK.01/2003 dated April 24, 2003 regarding the return of the excess Government Recapitalisation Bonds, which was previously used as additional paid-in capital, Government Recapitalisation Bonds amounted to Rp1,412,000 were returned to the Government on April 25, 2003 (Note 40b).

The Ministry of Finance of the Republic of Indonesia issued Decrees ("KMK-RI") No. 227/KMK.02/2003 dated May 23, 2003 and KMK-RI No. 420/KMK-02/2003 dated September 30, 2003 confirmed that the final amount of the addition of the Government's participation in Bank Mandiri amounted to Rp173,801,315 (Note 40b).

**d. Initial public offering of Bank Mandiri and quasi-reorganisation**

**Initial public offering of Bank Mandiri**

Bank Mandiri submitted its registration for an Initial Public Offering (IPO) to FSA, previously the Capital Market Supervisory Board and Financial Institution ("Bapepam and LK") on June 2, 2003 and became effective based on the Letter of the Chairman of Bapepam and LK No. S-1551/PM/2003 dated June 27, 2003.



**PT BANK MANDIRI (PERSERO) Tbk. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As of December 31, 2020 and for the year then ended**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

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**1. GENERAL INFORMATION (continued)**

**d. Initial public offering of Bank Mandiri and quasi-reorganisation (continued)**

**Initial public offering of Bank Mandiri (continued)**

The Bank's name was changed from PT Bank Mandiri (Persero) to PT Bank Mandiri (Persero) Tbk. based on an amendment to the Articles of Association which has been held with notarial deed of Sutjipto, S.H., No. 2 dated June 1, 2003 and approved by the Ministry of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. C-12783.HT.01.04.TH.2003 dated June 6, 2003 that was published in the State Gazette Republic of Indonesia No. 63 dated August 8, 2003, Supplement State Gazette of Republic of Indonesia No. 6590.

On July 14, 2003, Bank Mandiri sold its 4,000,000,000 Common Shares Series B through IPO, with a nominal value of Rp500 (full amount) per share with an initial selling price of Rp675 (full amount) per share. The IPO represents a divestment of 20.00% of the ownership of the Government in Bank Mandiri (Note 40a).

On July 14, 2003, 19,800,000,000 of Bank Mandiri's Common Shares Series B were listed on the Jakarta Stock Exchange and Surabaya Stock Exchange based on Jakarta Stock Exchange's Approval Letter No. S-1187/BEJ.PSJ/07-2003 dated July 8, 2003 and Surabaya Stock Exchange's Approval Letter No. JKT-028/LIST/BES/VII/2003 dated July 10, 2003.

**Quasi-reorganisation**

In order for Bank Mandiri to eliminate the negative consequences of being burdened by accumulated losses, the Bank undertook quasi-reorganisation as approved in the Extraordinary General Meeting of Shareholders ("RUPS-LB") on May 29, 2003.

The quasi-reorganisation adjustments were booked on April 30, 2003 which the accumulated losses of Rp162,874,901 were eliminated against additional paid-in capital.

Bank Mandiri's Articles of Association were amended due to the changes in additional paid-in capital as a result of quasi-reorganisation, based on Notarial Deed of Sutjipto, S.H., No. 130 dated September 29, 2003 which was approved by the Ministry of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. C-25309.HT.01.04.TH.2003 dated October 23, 2003 and was published in the State Gazette Republic of Indonesia No. 910, Supplement No. 93 dated October 23, 2003.

On October 30, 2003, Bank Mandiri's RUPS-LB approved the quasi-reorganisation as of April 30, 2003, which were notarised by Sutjipto, S.H. in Notarial Deed No. 165 dated October 30, 2003.

**e. Divestment of Government share ownership**

On March 11, 2004, the Government divested another 10.00% of its ownership in Bank Mandiri which was equivalent to 2,000,000,000 Common Shares Series B through private placements (Note 40a).

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**1. GENERAL INFORMATION (continued)**

- f. Public offering of subordinated bonds and medium term notes, public offering of bonds and medium term notes, limited public offering of shares, changes in share capital of Bank Mandiri and repurchasing of Bank Mandiri shares**

**Public offering of Bank Mandiri subordinated bonds and medium term notes**

On July 31, 2018, Bank Mandiri issued Subordinated Medium Term Notes I Bank Mandiri Year 2018 nominal value of Rp500.000 in Indonesia Stock Exchange.

On December 3, 2009, Bank Mandiri received the effective approval from the Chairman of Capital Market Supervisory Board and Financial Institution through its letter No. S-10414/BL/2009 dated December 3, 2009 to conduct the public offering of Bank Mandiri Rupiah Subordinated Bond I 2009 with a nominal value of Rp3,500,000. On December 14, 2009, the aforementioned Bond was listed on Indonesia Stock Exchange.

**Public offering of Bank Mandiri bonds and medium term notes**

On May 12, 2020, Bank Mandiri issued Continuing Bonds II Bank Mandiri Phase I Year 2020 ("Continuing Bonds II Phase I") with nominal value of Rp1,000,000.

On May 13, 2020, Bank Mandiri issued Euro Medium Term Notes (EMTN) with nominal value of USD500,000,000 (Full Amount) and on April 11, 2019 the Bank issued Euro Medium Term Notes (EMTN) with nominal value of USD750,000,000 (full amount) in Singapore Exchange (SGX).

On September 21, 2018, Bank Mandiri issued Bank Mandiri Continuing Bonds I Phase III 2018 ("Continuing Bonds I Phase III") with a nominal value of Rp3,000,000.

On September 30, 2016, Bank Mandiri issued Continuing Bonds I Bank Mandiri Phase I 2016 ("Continuing Bonds I Phase I") with nominal amount of Rp5,000,000 and on June 15, 2017, Bank Mandiri issued Continuing Bonds I Bank Mandiri Phase II 2017 ("Continuing Bonds I Phase II") with nominal amount of Rp6,000,000 (Note 30).

**Limited public offering of Bank Mandiri shares**

To strengthen the capital structure, the Bank increased its issued and paid up capital through the Limited Public Offering ("LPO") with Pre-emptive Rights ("Rights"). Bank Mandiri submitted the first and second registration statement of this LPO to FSA, previously the Capital Market Supervisory Board and Financial Institution ("Bapepam and LK") on December 26, 2010 and January 18, 2011 and received the effective notification from Capital Market Supervisory Board and Financial Institution on January 27, 2011 based on the Bapepam and LK letter No. S-807/BL/2011. The Bank also obtained an approval from the shareholders based on the Extraordinary General Meeting of Shareholder dated January 28, 2011 as notarised by Dr. A. Partomuan Pohan, S.H., LLM No. 15 dated February 25, 2011 and reported it to the Ministry of Law and Human Rights Republic of Indonesia with the receipt No. AHU-AH.01.10-07446 dated March 10, 2011. The Bank also registered it to company listing No. AHU-0019617.AH.01.09 year 2011 dated March 10, 2011.

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**1. GENERAL INFORMATION (continued)**

**f. Public offering of subordinated bonds and medium term notes, public offering of bonds and medium term notes, limited public offering of shares, changes in share capital of Bank Mandiri and repurchasing of Bank Mandiri shares (continued)**

**Limited public offering of Bank Mandiri shares notes (continued)**

Total number of Pre-emptive Rights issued by Bank Mandiri was 2,336,838,591 shares at a price of Rp5,000 (full amount) per share determined on January 25, 2011 and the execution period of pre-emptive rights trading started from February 14, 2011 until February 21, 2011.

The Government of the Republic of Indonesia as the controlling shareholder of Bank Mandiri, did not execute its right to acquire the pre-emptive rights, and transferred it to other shareholders. As a result of this, Government's ownership in Bank Mandiri was reduced or diluted from 66.68%, prior to the execution of pre-emptive rights, to 60.00% after the execution of the pre-emptive rights.

**Changes in share capital of Bank Mandiri**

The details of changes in issued and paid-in-share capital (Note 40a) are as follows:

	<b>Number of shares</b>
Initial capital injection by the Government in 1998	4,000,000
Increase in share capital by the Government in 1999	251,000
	4,251,000
Increase in paid-in capital by the Government in 2003	5,749,000
	10,000,000
Decrease in par value per share from Rp1,000,000 (full amount) to Rp500 (full amount) per share through stock split in 2003	20,000,000,000
Shares from conversion of MSOP I in 2004	132,854,872
Shares from conversion of MSOP I in 2005	122,862,492
Shares from conversion of MSOP I in 2006	71,300,339
Shares from conversion of MSOP II in 2006	304,199,764
Shares from conversion of MSOP I in 2007	40,240,621
Shares from conversion of MSOP II in 2007	343,135
Shares from conversion of MSOP III in 2007	77,750,519
Shares from conversion of MSOP I in 2008	8,107,633
Shares from conversion of MSOP II in 2008	399,153
Shares from conversion of MSOP III in 2008	147,589,260
Shares from conversion of MSOP II in 2009	86,800
Shares from conversion of MSOP III in 2009	64,382,217
Shares from conversion of MSOP II in 2010	6,684,845
Shares from conversion of MSOP III in 2010	19,693,092
Increase of Capital through Limited Public Offering (LPO) with pre-emptive Rights in 2011	2,336,838,591
Decrease of par value of stock from Rp500 (full amount) to Rp250 (full amount) per stock through stock split in 2017	23,333,333,333
<b>Total</b>	<b>46,666,666,666</b>

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**1. GENERAL INFORMATION (continued)**

- f. Public offering of subordinated bonds and medium term notes, public offering of bonds and medium term notes, limited public offering of shares, changes in share capital of Bank Mandiri and repurchasing of Bank Mandiri shares (continued)**

**Changes in share capital of Bank Mandiri (continued)**

Stock split of Bank Mandiri:

Based on the decision of the Extraordinary General Meeting of Shareholders (RUPS-LB) dated August 21, 2017 as in the notarial deed of Ashoya Ratam, SH, M.Kn. No. 36 dated August 24, 2017, the shareholders of Bank Mandiri, among others, approved the stock split of the Bank from Rp500 (full amount) per share to Rp250 (full amount) per share so that the capital was placed into 46,666,666,666 shares consisting of 1 (one) Dwiwarna share series A and 46,666,666,665 shares series B.

**Treasury Stock of Bank Mandiri**

Bank Mandiri through letter No. CEO/30/2020 dated March 18, 2020 submit a request of approval of treasury stock to FSA gradually with maximum amount Rp2,000,000, and has been approved by FSA through letter No.S-50/PB.31/2020 dated March 19, 2020. Furthermore, Bank Mandiri has declare this information to Indonesia Stock Exchange ("IDX") on March 20, 2020 regarding execution of treasury stock that had been issued and registered in IDX with maximum amount Rp2,000,000. Treasury stock will be executed gradually for 3 months since March 20, 2020 until June 19, 2020.

Bank Mandiri has executed treasury stock amounted 35,400,000 shares (nominal value Rp250 (full amount) per share) with acquisition price Rp150,895.

**g. Subsidiaries**

Subsidiaries included in the consolidated financial statements as of December 31, 2020 and 2019, are as follows:

Name of Subsidiaries	Nature of Business	Domicile	Percentage of Ownership	
			December 31, 2020	December 31, 2019
PT Bank Syariah Mandiri (BSM)	Sharia Banking	Jakarta	99.99	99.99
Bank Mandiri (Europe) Limited (BMEL)	Commercial Banking	London	100.00	100.00
PT Mandiri Sekuritas	Securities	Jakarta	99.99	99.99
PT Bank Mandiri Taspen (formerly PT Bank Mandiri Taspen Pos)	Commercial Banking	Jakarta	51.08	51.08
PT Mandiri Tunas Finance (MTF)	Consumer Financing	Jakarta	51.00	51.00
Mandiri International Remittance Sendirian Berhad (MIR)	Remittance Service	Kuala Lumpur	100.00	100.00
PT AXA Mandiri Financial Services	Life Insurance	Jakarta	51.00	51.00
PT Asuransi Jiwa Inhealth Indonesia	Life Insurance	Jakarta	80.00	80.00
PT Mandiri Utama Finance (MUF)	Consumer Financing	Jakarta	51.00	51.00
PT Mandiri Capital Indonesia	Venture Capital	Jakarta	99.99	99.99

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**1. GENERAL INFORMATION (continued)**

**g. Subsidiaries (continued)**

The Subsidiaries' total assets as of December 31, 2020 and 2019 (before elimination) are as follows:

Subsidiaries	Year of commercial operation	Total assets (before eliminaton)	
		December 31, 2020	December 31, 2019
PT Bank Syariah Mandiri	1955	126,907,940	112,298,325
Bank Mandiri (Europe) Limited	1999	2,178,249	2,585,317
PT Mandiri Sekuritas	1992	3,875,697	2,074,075
PT Bank Mandiri Taspen (formerly PT Bank Mandiri Taspen Pos)	1970	35,074,269	26,948,295
PT Mandiri Tunas Finance	1989	18,611,335	18,336,516
Mandiri International Remittance Sendirian Berhad	2009	19,677	17,861
PT AXA Mandiri Financial Services	1991	37,555,991	32,753,110
PT Asuransi Jiwa InHealth Indonesia	2008	2,235,930	2,216,667
PT Mandiri Utama Finance	2015	5,118,723	5,132,442
PT Mandiri Capital Indonesia	2015	3,326,484	1,461,885
<b>Total</b>		<b>234,904,295</b>	<b>203,824,493</b>

**PT Bank Syariah Mandiri**

PT Bank Syariah Mandiri ("BSM") is engaged in banking activities with sharia banking principles, was established under the name PT Bank Industri Nasional ("PT Bina") on June 15, 1955. On October 4, 1967, the subsidiary's name was changed from PT Bina to PT Bank Maritim Indonesia which subsequently changed to PT Bank Susila Bhakti on August 10, 1973 which is a subsidiary of BDN. The latest change of the subsidiary's name to PT Bank Syariah Mandiri (BSM) was based on Notarial Deed of Sutjipto, S.H, No. 23 dated September 8, 1999. BSM obtained an operating license based on the Decree of the Governor of Bank Indonesia No. 1/24/KEP.GBI/1999 dated October 25, 1999 as a commercial bank based on sharia principles and began operating on November 1, 1999.

On January 9, 2009, Bank Mandiri increased its capital in cash at the Subsidiary, amounted to Rp100,000. Bank Mandiri has received approval from Bank Indonesia through letter dated December 31, 2008 and the Resolution of Extraordinary General Meeting of Shareholders of PT Bank Syariah Mandiri No. 10 dated June 19, 2008.

On December 31, 2008, Bank Mandiri increased its capital of Rp199,871 at the Subsidiary, in the form of cash and "*inbreng*". Bank Mandiri has received approval from Bank Indonesia through letter dated December 31, 2008 and the Resolution of Extraordinary General Meeting of Shareholders of PT Bank Syariah Mandiri No. 10 dated June 19, 2008.

On March 18, 2011, Bank Mandiri increased its capital in form of cash of Rp200,000 at the Subsidiary. Bank Mandiri has received approval from Bank Indonesia through letter dated January 31, 2011 and Circular Resolution of Shareholders dated February 28, 2011 with Notarial Deed No. 19 dated March 21, 2011 on the capital increase.

On December 29, 2011, Bank Mandiri increased its capital in form of at the Subsidiary for Rp300,000. Bank Mandiri has received approval from Bank Indonesia through letter dated December 27, 2011 and Circular Resolution of Shareholders dated December 29, 2011 with Notarial Deed No. 42 dated December 29, 2011 on the capital increase.

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**1. GENERAL INFORMATION (continued)**

**g. Subsidiaries (continued)**

**PT Bank Syariah Mandiri (continued)**

On December 21, 2012, Bank Mandiri increased its capital in form of cash at the Subsidiary for Rp300,000. Bank Mandiri has received approval from Bank Indonesia through letter dated December 21, 2012 and Circular Resolution of Shareholders dated December 21, 2012 with Notarial Deed No. 38 dated December 28, 2012 on the capital increase.

On December 30, 2013, Bank Mandiri increased its capital in form of non-cash "*inbreng*" of land and buildings at the Subsidiary for Rp30,778. Bank Mandiri has received approval from Bank Indonesia through letter dated December 19, 2013 and Circular Resolution of Shareholders dated December 27, 2013 with Notarial Deed No. 20 dated January 22, 2014 which was re-affirmed in Circular Resolution of Shareholders dated December 29, 2014 with Notarial Deed No. 22 dated January 23, 2015 on the capital increase.

On November 24, 2015, Bank Mandiri increased its capital in form of cash at the Subsidiary amounted to Rp500,000. Bank Mandiri has received approval from the Bank Indonesia through letter dated November 4, 2015 and Circular Resolution of Shareholder dated November 18, 2015 with Notarial Deed No. 33 dated November 25, 2015 on the capital increase.

On November 14, 2016, Bank Mandiri increased its capital in form of cash at the Subsidiary amounted to Rp500,000. Bank Mandiri has received approval from FSA through letter dated November 3, 2016 and Circular Resolution of Shareholders dated November 25, 2016, that has been notarised with Deed No. 09 dated December 7, 2016 on such additional capital investment. FSA approval related to the capital increase was received on January 24, 2017.

On December 11, 2017, Bank Mandiri increased its capital in form of cash at the Subsidiary amounted to Rp500,000. Bank Mandiri has received approval from Ministry of State-Owned Enterprises through letter No. S-536/MBU/09/2017 dated September 22, 2017, FSA through letter No. S-129/PB.31/2017 dated December 5, 2017, and Circular Resolution of Shareholder dated December 6, 2017 with Notarial Deed No. 22 dated December 12, 2017 on the capital increase. The capital increase will be effective after Bank Mandiri obtained FSA approval related changes in BSM's share capital. The Subsidiary received approval from FSA concerning the changes in BSM's share capital dated January 15, 2018.

On September 25, 2020, PT Bank Mandiri (Persero) Tbk as Controlling Shareholder PT Bank Syariah Mandiri through Shareholder Decision Letter PT Bank Syariah Mandiri, had been increase its capital in form of "*inbreng*" of land and buildings owned by Bank Mandiri which located on Nangroe Aceh Darussalam Province, consist of 56 unit land and buildings spread on 22 location amounting to Rp152,997 or 30,599,349 shares (full amount) with nominal value per share Rp5,000 (five thousands Rupiah) (full amount). Listed through Notarial Deed No. 21 dated October 16, 2020 and obtained Notification of the Change of The Articles of Association PT Bank Mandiri Syariah from Ministry of Law and Human Rights No. AHU-AH.01.03-0399023 dated October 16, 2020 and Approval of Changes in Articles of Association PT Bank Syariah Mandiri by Minister of Law and Human Rights based on letter No. AHU-0071180.AH.01.02. dated October 16, 2020. Supplement No. 042789 of State Gazette Republic of Indonesia No.091 dated November 13, 2020. FSA approval for this capital increase has been received in accordance with FSA Letter No.S-202/PB.34/2020 on November 30, 2020

Approval of merger through Deed of Resolutions Extraordinary General Meeting of Shareholders "PT Bank Syariah Mandiri" No. 11 dated December 15, 2020 approved merger between BSM and PT Bank BNI Syariah through PT Bank BRI Syariah Tbk as Bank who received consolidation.

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**1. GENERAL INFORMATION (continued)**

**g. Subsidiaries (continued)**

**Bank Mandiri (Europe) Limited**

Bank Mandiri (Europe) Limited ("BMEL") was established in London, United Kingdom on June 22, 1999 under "The Companies Act 1985 of the United Kingdom". It was established from the conversion of Bank Exim London branch to a Subsidiary and operated effectively on July 31, 1999. BMEL, located in London, United Kingdom, is mandated to act as a commercial bank to represent the interests of Bank Mandiri.

**PT Mandiri Sekuritas**

PT Mandiri Sekuritas ("Mandiri Securities"), formerly known as PT Merincorp Securities Indonesia ("MSI"), incorporated under Act No. 1 dated December 2, 1991 made before Sutjipto, S.H. Mandiri Sekuritas is the result of the merger of PT Bumi Daya Sekuritas ("BDS"), PT Exim Securities ("ES") and PT Merincorp Securities Indonesia ("MSI") was accomplished by means of merging BDS and ES into the MSI. MSI obtained a license as a securities broker and underwriter of the securities portfolio of the Chairman of the Capital Market Supervisory Agency ("Bapepam") by decree No. KEP-12/PM/1992 and No. KEP-13/PM/1992 and started operations on January 23, 1992. The merger was based on the Deed No. 116 dated July 31, 2000 the Notary Ny. Vita Buena, S.H., and approved by the Minister of Law and Legislation of the Republic of Indonesia on August 25, 2000 by Decree No. C-18762.HT.01.01-TH.2000 and business permits obtained previously by MSI can still be used by PT Mandiri Sekuritas. PT Mandiri Sekuritas owns 99.93% of total shares of PT Mandiri Manajemen Investasi, a Subsidiary that was established on October 26, 2004 and is engaged in investment management and advisory. Mandiri Sekuritas also owns 100% of the total shares of Mandiri Securities Pte. Ltd., a company engage a capital market service license for the business type "Dealing in Securities and Advising Corporate Finance and Monetary Authority of Singapore" based on license No. CMS100566-1 dated November 10, 2016.

On December 28, 2012, Bank Mandiri increased its capital in form of cash at Mandiri Sekuritas, amounted to Rp29,512. Bank Mandiri obtained approval from Bank Indonesia through its letter dated October 31, 2012 and the circular resolution of shareholders dated December 27, 2012 on the capital increase. After the implementation of the additional capital investment, the Bank's ownership at Mandiri Sekuritas increased from 95.69% to 99.99% of the total shares issued by Mandiri Sekuritas.

**PT Bank Mandiri Taspen**

PT Bank Sinar Harapan Bali ("BSHB") was established as the Micro Banking on February 23, 1970 under the name MAI Bank Pasar Sinar Harapan Bali, then on November 3, 1992 the Bank transformed it into Limited Liability Company based on Deed No. 4 made by Ida Bagus Alit Sudiarmika, S.H., Notary in Denpasar and obtained a business license as a commercial bank under the decree of the Minister of Finance of the Republic of Indonesia No. 77/KMK.017/1994 dated March 10, 1994. On May 3, 2008, shareholders of BSHB and Bank Mandiri signed the acquisition deed as stated in the acquisition deed No. 4 dated May 3, 2008 made by I Wayan Sugitha, S.H., Notary in Denpasar. This signing showed Bank Mandiri ownership of 80.00% shares of BSHB. Furthermore, BSHB operated as stand-alone Bank which mainly focused on Small and Micro Business Financing.

On October 22, 2009, the Bank increased its capital in BSHB amounted to 1.46% of the total shares issued and fully paid, or at Rp1,460,657,000 (full amount) by purchasing all shares of BSHB owned by the President Director for 2,921,314 shares, as stated in the Deed of Sale and Purchase of Shares No. 52 dated October 22, 2009 of Notary Ni Wayan Widastri, S.H., Notary in Denpasar, Bali.

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**1. GENERAL INFORMATION (continued)**

**g. Subsidiaries (continued)**

**PT Bank Mandiri Taspen (continued)**

Bank increased its capital at BSHB in order to comply with Bank Indonesia regulation on Good Corporate Governance which requires the President Director of Bank should come from an independent party. Capital increase of the Bank at BSHB approved by Bank Indonesia as stated in the letter No. 11/103/DPB1/TPB1-1 dated August 21, 2009.

After increasing its capital, the Bank's ownership in BSHB increased from 80.00% to 81.46% of the total shares issued by BSHB with a total investment amounted to Rp81,461 from Rp80,000.

On May 28, 2013, the Bank increase its capital at BSHB amounted to 11.77% of the total shares issued and fully paid at Rp32,377,072,750 (full amount) by purchasing shares of BSHB owned by BSHB minority shareholders with a total of 23,546,962 shares (full amount). Capital increase of the Bank at BSHB has been approved by Bank Indonesia as stated in the letter of Bank Indonesia No. 15/33/DPB1/PB1-1 dated May 6, 2013.

On December 22, 2014, BSHB held an Extraordinary General Meeting of Shareholders approving the issuance of 800,000,000 (full amount) of new shares to be purchased by Bank Mandiri, PT Taspen (Persero) and PT Pos Indonesia (Persero). Changes in the composition of ownership has been effective on May 28, 2015 with the approval from FSA, with the composition of the final ownership is Bank Mandiri (58.25%), PT Taspen (20.2%), PT Pos (20.2%) and individual shareholders (1.35%). FSA also approved Taspen and PT Pos as new shareholders as well as the additional capital injection of the Bank in BSHB amounted to Rp198,000.

On July 24, 2015, the FSA has approved the name changes of PT Bank Sinar Harapan Bali to PT Bank Mandiri Taspen Pos and given permission to conduct business under the name of Bank Mantap. Name and logo changes are approved by FSA on July 31, 2015 and announced to public on August 7, 2015.

On November 24, 2016, the Bank get approval from the FSA related to capital injection plan at PT Bank Mandiri Taspen Pos amounted to Rp257,036 through letter No. S-125/PB.31/2016 regarding Approval for Bank Mandiri capital injection at Bank Mandiri Taspen Pos. This capital increase also increases the Bank's ownership in Bank Mandiri Taspen Pos from 58.25% to 59.44% of the total shares issued by Bank Mantap. The capital injection effective in 2017 based on approval from OJK Bali through letter No. S-07/KR.081/2017 and registered FSA. There are any differences on book value amounted to Rp13,250.

On October 9, 2017, Bank Mandiri Taspen Pos held an Extraordinary General Meeting of Shareholders which approved the changes in the composition of shareholders to Bank Mandiri (59.44%), PT Taspen (40%) and individual shareholders (0.56%). The Extraordinary General Meeting of Shareholders also approved the changes of company's name, formerly PT Bank Mandiri Taspen Pos to PT Bank Mandiri Taspen.

On December 6, 2017, the Bank has received approval from FSA related to the planned additional capital injection at PT Bank Mandiri Taspen Pos amounted to Rp210,000 through letter No. S-131/PB.31/2017 regarding Approval for capital injection to PT Bank Mandiri Taspen. The application has been approved by the Ministry of State-Owned Enterprises as stated in the letter No. S-504/MBU/09/2017 dated September 7, 2017. Approval from FSA Bali was obtained in January 2018.



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**1. GENERAL INFORMATION (continued)**

**g. Subsidiaries (continued)**

**PT Bank Mandiri Taspen (continued)**

The addition of capital investment does not change the percentage of ownership, the percentage of ownership of Bank Mandiri in Bank Mantap remains 59.44% of the total stock issued by Bank Mantap.

On November 30, 2018, PT Bank Mandiri Taspen held an Extraordinary General Meeting of Shareholders as stated in the Deed of Minutes of the Extraordinary General Meeting of Shareholders No. 112 dated November 30, 2018, as reaffirmed in the Deed of Resolutions Extraordinary General Meeting of Shareholders No. 34 dated December 14, 2018 approved the transfer part of PT Bank Mandiri Taspen's shares portion owned by PT Bank Mandiri (Persero) Tbk to PT Taspen (Persero), therefore the ownership of PT Bank Mandiri (Persero) in PT Bank Mandiri Taspen, increase from 59.44% to 51.05%, hence the Bank's total ownership become 51.05%. PT Taspen 48.39% and individual ownership 0.56%. The changes of the percentage shareholders composition was approved by FSA on January 11, 2019.

On December 8, 2018, the Bank has received approval from FSA, concerning plan of divestment and additional share capital to PT Bank Mandiri Taspen through Decision Letter No. S-35/PB.3/2018 regarding the Divestment Initiative and the Bank's Additional Share Capital in PT Bank Mandiri Taspen. The Bank has obtained approval from the Ministry of State Owned Enterprises through Decision Letter No. S-772/MBU/11/2018 dated November 16, 2018.

Based on the Extraordinary General Meeting of Shareholders stated in the Deed of Minutes of the Extraordinary General Meeting of Shareholders No. 112 dated November 30, 2018, as reaffirmed in the Deed of Resolutions Extraordinary General Meeting of Shareholders No. 42 dated December 19, 2018, also approved the issuance of 140,492,748 shares (full amount) which have been taken over by Bank Mandiri and PT Taspen, by changes the shares portion, the shareholders composition owned by Bank Mandiri 51.08%, PT Taspen 48.42% and individual ownership 0.50%.

To expand the business and become National Bank that have branches all over Indonesia based on Deed of Decision General Meeting of Shareholders No. 53 dated October 31, 2016 made by Notary I Gusti Ngurah Putra Wijaya S.H, Notary in Denpasar as affirmed by Meeting Decision Number 7 dated March 5, 2019 about transference of Bank's Head Office location. The Deed of Change of Company's Information has been submitted to Ministry of Law and Human Right as stated on Notification of the change of the Company's Information dated March 11, 2019 No. AHU-AH.01.03.-138220 and registered of the change of the Company's Information Number AHU-0039461.AH.01.11 year 2019 dated March 11, 2019. The Change of Bank's Article of Association through Approval from Ministry of Law and Human Right of Indonesia No.AHU-0012925.AH.01.02 year 2019 about Approval of Change of Article of Association PT Bank Mandiri Taspen and approval from FSA Number. S-5/PB.1/2019 dated January 28, 2019 about program to Separation and transference of Head Office location, Bank transfer their Head Office from Denpasar, Bali to Jakarta. Head Office transference effective on March 11, 2019

In 2020, the Bank has injected additional capital amounting to Rp255,384 to PT Bank Mandiri Taspen. Based on Circular Decision of Shareholder PT Bank Mandiri Taspen dated December 16, 2020 as stated on Deed of Resolutions General Meeting of Shareholders No. 41 dated December 28, 2020 has received approval PT Bank Mandiri Taspen to issued 135,993,787 shares which will be executed by Bank and PT Taspen (Persero). therefore the ownership of PT Bank Mandiri (Persero) in PT Bank Mandiri Taspen, increase from 51.077% to 51.098%, and PT Taspen (Persero) from 48.416% become 48.437% and individual ownership from 0.507% become 0.465%. The changes of the percentage shareholders composition effective from January 13, 2021 after approval and received Notification of the changes of the Article of Association PT Bank Mandiri Taspen from Ministry Law and Human Right about the changes of share capital, issued capital and paid-up in capital, and from administrative, by reporting to FSA about the Change of the Shareholder Composition.

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**1. GENERAL INFORMATION (continued)**

**g. Subsidiaries (continued)**

**PT Bank Mandiri Taspen (continued)**

Prior to January 1, 2011, goodwill arising from the acquisition of PT Bank Mandiri Taspen amounted to Rp19,219 was amortised using the straight-line method over 5 (five) years with the estimation of economic benefits of the goodwill. Effective January 1, 2011, in accordance with SFAS No. 22 (Revised 2009), "Business Combinations", goodwill is not amortised but is tested for impairment on annually basis. The Bank periodically evaluates the impairment of goodwill in accordance with SFAS No. 48, "Impairment of Assets" (see Note 2s). The outstanding goodwill on December 31, 2020 and 2019, amounted to Rp21,043, respectively.

**PT Mandiri Tunas Finance**

PT Mandiri Tunas Finance ("MTF", formerly PT Tunas Financindo Sarana ("TFS")) is a company engaged in consumer financing activities. MTF was established based on notarial deed of Misahardi Wilamarta, S.H., No. 262 dated May 17, 1989 and approved by the Ministry of Justice through its Decision Letter No. C2-4868.HT.01.01.TH.89 dated June 1, 1989 and published in State Gazette No. 57, Supplement No. 1369 dated July 18, 1989. MTF commenced its commercial activities in 1989. MTF obtained a business license to operate in leasing, factoring and consumer financing from Minister of Finance in its Decision Letter No. 1021/KMK.13/1989 dated September 7, 1989, No. 54/KMK.013/1992 dated January 15, 1992 and No. 19/KMK.017/2001 dated January 19, 2001. Based on notarial deed of Dr. A. Partomuan Pohan, S.H., LL.M., dated February 6, 2009, the Bank entered into a sales and purchase agreement with MTF's shareholders (PT Tunas Ridean Tbk. and PT Tunas Mobilindo Parama) to acquire 51.00% ownership of MTF through its purchase of 1,275,000,000 shares of MTF (the nominal value of Rp100 (full amount)) per share amounted to Rp290,000.

The acquisition of 51.00% of MTF shares ownership by Bank Mandiri was approved in the Extraordinary General Shareholders Meeting of MTF as stated in the Minutes of Extraordinary General Shareholders' Meeting No. 8 dated February 6, 2009 and listed in Legal Administration Ministry of Law and Human Rights as affirmed by the Ministry of Law and Human Rights through its Letter No. AHU-AH.01.10-01575 dated March 11, 2009.

This acquisition had been approved by Bank Indonesia through the Decree of the Governor of Bank Indonesia No. 11/3/DPB1/TPB1-1 dated January 8, 2009.

The amendment of the TFS's name to become MTF was undertaken on June 26, 2009, in accordance with a resolution on notarial deed of PT Tunas Financindo Sarana No. 181 dated June 26, 2009, notarised by notarial Dr. Irawan Soerodjo, S.H., Msi. The Articles of Association was approved by the Ministry of Law and Human Rights Republic of Indonesia in its Decision Letter No. AHU-4056.AH.01.02.TH.09 dated August 26, 2009.

Prior to January 1, 2011, goodwill arising from the acquisitions of MTF amounted to Rp156,807 was amortised using the straight-line method over 5 (five) years with the estimation of economic benefits of the goodwill. Effective January 1, 2011, in accordance with SFAS No. 22 (Revised 2009), "Business Combinations", goodwill is not amortised but tested for impairment annually. The Bank periodically evaluates the impairment of goodwill in accordance with SFAS No. 48, "Impairment of Assets" (see Note 2s). The balance of goodwill on December 31, 2020 and 2019, amounted to Rp96,697, respectively.

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**1. GENERAL INFORMATION (continued)**

**g. Subsidiaries (continued)**

**Mandiri International Remittance Sendirian Berhad**

Mandiri International Remittance Sendirian Berhad (“MIR”), a wholly owned Subsidiary of Bank Mandiri and became a Malaysian legal entity on March 17, 2009 based on registration No. 850077-P. MIR is engaged in money remittance service under the provisions of the Bank Negara Malaysia (“BNM”). MIR has obtained an approval from Bank Indonesia (“BI”) through letter No. 10/548/DPB1 dated November 14, 2008 and from BNM to conduct operational activities through its letter No. KL.EC.150/1/8562 dated November 18, 2009. MIR officially commenced its operations on November 29, 2009 and is currently located in Kuala Lumpur, Malaysia. In 2020, MIR has 14 branches around Malaysia and provide remittance service to 8 (eight) countries which are Indonesia, Philippines, Thailand, Singapore, India, Nepal, Pakistan and Bangladesh.

**PT AXA Mandiri Financial Services**

PT AXA Mandiri Financial Services (“AXA Mandiri”) is a joint venture company between PT Bank Mandiri (Persero) Tbk. (“Bank Mandiri”) and National Mutual International Pty Ltd (“NMI”) that is engaged in Life Insurance. AXA Mandiri was formerly established under the name of PT Asuransi Jiwa Staco Raharja on September 30, 1991 by notarial deed No. 179 of Muhani Salim, S.H. The deed of establishment was approved by the Minister of Justice of the Republic of Indonesia through its letter No. C2-6144.HT.01.01.TH.91 dated October 28, 1991. The Company obtained its life insurance license through General Directorate of Finance Institution Decision Letter No. KEP.605/KM.13/1991 and officially commenced its operations on December 4, 1991. The Company’s name was then changed to PT Asuransi Jiwa Mandiri and subsequently changed to PT AXA Mandiri Financial Services. This change was approved by the Ministry of Justice and Human Rights in its Decision Letter No. C-28747.HT.01.04.TH.2003 dated December 10, 2003, and was published in State Gazette No. 64, Supplement No. 7728 dated August 10, 2004 with shareholders composed of NMI for 51.00% and Bank Mandiri for 49.00%.

The shareholders of Bank Mandiri, at the Annual General Meeting held on May 17, 2010 (in article 7), had approved the acquisition of additional shares in AXA Mandiri through the purchase of 2.00% of the total shares issued and fully paid shares in AXA Mandiri directly from NMI.

On August 20, 2010, Bank Mandiri signed a Sale and Purchase Agreement (AJB) to acquire 2,027,844 (two million twenty seven thousand eight hundred forty four) shares (for an amount of Rp48,427) or 2.00% of issued and fully paid-in capital of AXA Mandiri from NMI which was performed in front of Notary Dr. A. Partomuan Pohan, S.H., LL.M. The addition of shares in AXA Mandiri was approved by Bank Indonesia through its letter No. 12/71/DPB1/TPB1-1 dated July 22, 2010. After this acquisition, the Bank’s percentage of ownership in AXA Mandiri increased to become 51.00%.

Prior to January 1, 2011, goodwill arising from the acquisition of AXA Mandiri amounted to Rp40,128 was amortised using the straight-line method over 5 (five) years with the estimation of economic benefits of the goodwill. Effective January 1, 2011, in accordance with SFAS No. 22 (Revised 2009), “Business Combinations”, goodwill is not amortised but tested for impairment annually. Bank periodically evaluates the impairment of goodwill in accordance with SFAS No. 48, “Impairment of Assets” (see Note 2s). The balance of goodwill on December 31, 2020 and 2019 amounted to Rp37,194, respectively.

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**1. GENERAL INFORMATION (continued)**

**g. Subsidiaries (continued)**

**PT Asuransi Jiwa Inhealth Indonesia**

PT Asuransi Jiwa Indonesia Inhealth (“Mandiri Inhealth”) was established on October 6, 2008 based on the notarial deed No. 2 of NM Dipo Nusantara Pua Upa, S.H. Inhealth has obtained its license based on the Minister of Law and Human Rights of the Republic of Indonesia through its letter No. AHU-90399.AH.01.01 dated November 26, 2008. Inhealth obtained its license to operate in life insurance based on the Decision Letter of the Minister of Finance of the Republic of Indonesia No. KEP-38/KM.10/2009 dated March 20, 2009.

On December 23, 2013, Bank Mandiri with PT Kimia Farma (Persero) Tbk. and PT Asuransi Jasa Indonesia (Persero) as the buyers and the Social Security Agency of Health (BPJS Kesehatan; formerly PT Askes (Persero)) and the Cooperative Bhakti Askes as the sellers have signed a Conditional Share Purchase Agreement on PT Asuransi Jiwa Inhealth Indonesia (“Inhealth”) where the execution of transactions will be conducted in two phases as follows:

1. Phase 1, namely the acquisition of 80% ownership in Inhealth, whereas the ownership of the PT Bank Mandiri (Persero) Tbk is 60%, PT Kimia Farma (Persero) Tbk. and PT Asuransi Jasa Indonesia (Persero) are 10%, respectively, and BPJS Kesehatan still has 20%; and
2. Phase 2, namely the acquisition of 20% ownership of BPJS in Inhealth by the PT Bank Mandiri (Persero) Tbk so that the total ownership of PT Bank Mandiri (Persero) Tbk is 80%. The composition of shareholders after the transaction Inhealth stage 2 resulted in the following percentage ownership PT Bank Mandiri (Persero) Tbk, 80%; PT Kimia Farma (Persero) Tbk. and PT Asuransi Jasa Indonesia (Persero) have 10%, respectively, of the total shares issued and fully paid of Inhealth.

On February 27, 2014, PT Bank Mandiri (Persero) Tbk has obtained the approval of the General Meeting of Shareholders related to the acquisition Inhealth. Furthermore, PT Bank Mandiri (Persero) Tbk also has received the approval of the proposed acquisition from FSA in accordance with Letter No. S-37/PB/31/2014 dated April 17, 2014 regarding the Application for Approval for Equity Investment of PT Bank Mandiri (Persero) Tbk. in PT Asuransi Jiwa Inhealth Indonesia.

On May 2, 2014, PT Bank Mandiri (Persero) Tbk with PT Kimia Farma (Persero) Tbk. and PT Asuransi Jasa Indonesia (Persero) as the buyers with BPJS Kesehatan (formerly PT Askes (Persero)) and Koperasi Bhakti Askes as the sellers have signed a Sale and Purchase agreement of Inhealth's shares as recorded in Notarial deed of sale and purchase agreement No. 01 dated May 2, 2014 by Notary Mala Mukti S.H., LL.M.

With the signing of the Sale and Purchase Agreements, PT Bank Mandiri (Persero) Tbk has effectively become the majority shareholder in Inhealth with ownership of 60% (Rp990,000), PT Kimia Farma (Persero) Tbk. and PT Asuransi Jasa Indonesia (Persero) of 10% respectively (Rp165,000) and BPJS Kesehatan of 20% (Rp330,000). Change in share ownership has been approved by the General Meeting of Shareholders of Inhealth by Notary Mala Mukti S.H., LL.M. No. 19 dated May 5, 2014 and has been submitted to the Ministry of Law and Human Rights of the Republic of Indonesia and has been received through letter No. AHU-06507.40.22.2014 dated May 5, 2014 regarding the Company's Receipt of Notification of Data Change of PT Asuransi Jiwa Inhealth Indonesia.

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**1. GENERAL INFORMATION (continued)**

**g. Subsidiaries (continued)**

**PT Asuransi Jiwa Inhealth Indonesia (continued)**

Articles of Association of Inhealth has been changed in accordance with the Shareholders Agreement which was signed on December 23, 2013 and has been recorded in the Notarial Deed of Mala Mukti, S.H., LL.M No. 20 dated May 5, 2014. This change has been submitted to the Ministry of Justice and Human Rights of the Republic of Indonesia and accepted through its letter No. AHU-01805.40.21.2014 dated May 6, 2014.

The signing of sale and purchase deed was the first phase of Inhealth's acquisition in accordance with Conditional Share Purchase Agreement which was signed on December 23, 2013.

On March 30, 2015, PT Bank Mandiri (Persero) Tbk carried out additional investment in Inhealth shares by buying 200,000 shares owned by BPJS Kesehatan through the signing of the Deed of Sale and Purchase Agreement No. 108, dated March 30, 2015, made before Mala Mukti, S.H., LL.M., Notary in Jakarta, which is 20% of the total shares issued by Inhealth. Total purchase price amounted to Rp330,000. The addition of these investments had been approved by the FSA as mentioned in its letter No. S-19/PB.31/2015 dated February 20, 2015. The difference in the balance of recorded non-controlling interest in the fair value of consideration paid for the additional shares of to 20% of Inhealth shares amounted to Rp92,751 is recorded as "Difference in transactions with non-controlling interest".

Since the signing date of the Sale and Purchase Agreements, PT Bank Mandiri (Persero) Tbk has effectively become the majority shareholder of Inhealth with ownership of 80%, which PT Kimia Farma (Persero) Tbk and PT Asuransi Jasa Indonesia (Persero) each own 10%. It has been approved by the General Meeting of Shareholders in accordance with Notarial Deed of Mala Mukti S.H., LL.M. No. 109 dated March 30, 2015 and submitted to the Ministry of Justice and Human Rights of the Republic of Indonesia and accepted by its letter No. AHU-AH.01.03-0020238 dated March 30, 2015 regarding Acceptance Notification of the Data Change of PT Asuransi Jiwa Inhealth Indonesia.

Bank Mandiri acquired 80% of total shares issued by Inhealth amounted to Rp1,320,000. As of December 31, 2020 and 2019 goodwill each amounted to Rp268,181, respectively. The Bank periodically evaluates the impairment of goodwill in accordance with SFAS No. 48, "Impairment of Assets" (Note 2s).

**PT Mandiri Utama Finance**

On April 16, 2014, Bank Mandiri and PT Asco Investindo ("ASCO") and PT Tunas Ridean (Persero) Tbk. ("TURI"), signed an agreement of signing a preliminary agreement to set up a finance company to be able to accelerate Bank Mandiri finance portfolio, especially in the segment of vehicle financing.

On October 22, 2014, Bank Mandiri with ASCO and TURI signed a shareholders' agreement on the establishment of a finance company with an authorised capital of Rp100,000 and an ownership composition as follows: the Bank (51%); ASCO (37%); and TURI (12%). Subsequently, on December 23, 2014, in accordance with letter No. S-137/PB.31/2014 the Bank obtained a principle license of equity participation in the new company financing from Bank Supervision FSA.

**PT BANK MANDIRI (PERSERO) Tbk. AND SUBSIDIARIES**  
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**1. GENERAL INFORMATION (continued)**

**g. Subsidiaries (continued)**

**PT Mandiri Utama Finance (continued)**

On January 21, 2015, the deed of incorporation of a new subsidiary of Bank Mandiri named PT Mandiri Utama Finance ("MUF") has been signed as outlined in the notarial deed Ashoya Ratam, SH, M.Kn. No. 19 dated January 21, 2015 and was approved by the Ministry of Justice and Human Rights of the Republic of Indonesia in Decree No. AHU-0003452.AH.01.01. Year 2015 dated January 26, 2015. Concurrent with the signing of the deed of incorporation, the Bank also made capital injection amounted to Rp51,000 as stipulated in the Bank's shareholding in MUF. Based on notarial deed No. 66 of Ashoya Ratam dated May 29, 2015 on the Circular Letter of Shareholders' Meeting regarding the approval of change in composition of the Board of Commissioners, which such changes registered with the Ministry of Justice and Human Rights of the Republic of Indonesia based on Letter No. AHU-AH.01.03-0936033 dated May 29, 2015.

After the signing of the deed, MUF submitted application of financing company business license to FSA - Non-Bank Financial Institutions ("FSA IKNB"). Upon request, the FSA IKNB has issued a decree of IKNB Board of Commissioners of the FSA No. KEP-81/D.05/2015 regarding the Granting Permit of Financing Company to PT Mandiri Utama Finance on June 25, 2015 through letter No. SR-3516/NB.111/2015 dated June 26, 2015, regarding the Granting Permit of Financing Company PT Mandiri Utama Finance.

On August 24, 2015, MUF has carried out the initial operational activities through cooperation with primary dealers and showroom, as well as financing disbursement to limited customers to meet the requirements of the FSA IKNB, and commercially operated on January 2016 through its branches which already have operational permit from FSA IKNB.

Based on the Letter of Approval from the FSA No. S-86/PB.31/2016 dated August 25, 2016, regarding the Application for Approval of the Increase in the Share Capital of PT Mandiri Utama Finance, the FSA expressed no objection to the Bank's plan of increasing its equity participation in MUF amounted to Rp102,000. The increase of capital in MUF will be done gradually with a nominal value of Rp51,000 for each stage. On August 29, 2016, the execution of the first stage in increasing the share capital of MUF, with a nominal value of Rp51,000, has been completed. The next stage of issuing additional share capital amounted to Rp51,000 has been carried out on December 16, 2016. The increase in capital did not change the percentage of ownership over MUF as follows Bank Mandiri 51%, ASCO 37% and TURI 12%.

Based on the Letter of Approval from the FSA No. S-68/PB.31/2017 dated July 26, 2017, regarding the Application for Approval of the Increase in the Share Capital of the Bank to MUF, FSA expressed no objection to the Bank's plan of increasing its equity participation in MUF amounted to Rp102,000. The increase of capital in MUF will be done for two phases with nominal value Rp51,000 for each phase. On July 28, 2017, the execution of the first phase increasing the share capital of MUF with nominal value of Rp51,000 has been completed and documented on notarial deed of Ashoya Ratam S.H., M.Kn, No. 56 dated August 29, 2017 and approved by Ministry of Justice and Human Rights of the Republic of Indonesia based on Letter No. AHU-AH.01.03-0169081 year 2017 dated September 6, 2017. On October 30, 2017, the execution of the second phase increasing the share capital of MUF with nominal value of Rp51,000 has been completed. The addition of capital investment does not change the percentage of ownership, the percentage of ownership of Bank Mandiri in MUF amounted to 51%, ASCO amounted to 37% and TURI amounted to 12%.

MUF request approval to operate for Sharia Unit (UUS) to FSA-IKNB Sharia and approved to operate Sharia Unit (UUS) MUF through Decision Letter Commissioners Board FSA No. KEP-36/NB.223/NB/2018 about "granting permission to Operate Sharia Unit for Financing Company to PT Mandiri Utama Finance" dated April 27, 2018 through FSA letter No. S-626/NB.223/2018 dated May 15, 2018 about "Notification Transcript of Permission to operate Sharia Unit for Financing Company to PT Mandiri Utama Finance".

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**1. GENERAL INFORMATION (continued)**

**g. Subsidiaries (continued)**

**PT Mandiri Capital Indonesia**

As of June 23, 2015, Bank Mandiri and PT Mandiri Sekuritas have established new subsidiary engaged in venture capital under the name of PT Mandiri Capital Indonesia ("MCI").

Establishment of the Company was marked by the signing of the deed of Bank Mandiri and PT Mandiri Sekuritas in which the Bank invested capital amounted Rp9,900, representing 99% share ownership in MCI and PT Mandiri Sekuritas injected capital amounted to Rp100 which represents a 1% share ownership in MCI, therefore the capital structure of MCI amounted Rp10,000.

Bank Mandiri's equity participation in the framework of establishment of MCI was approved by the FSA per its letter No. S-48/PB.31/2015 regarding Application for Approval of Equity Participation of PT Bank Mandiri (Persero) Tbk. for the establishment of Venture Capital Company on June 11, 2015.

As of June 26, 2015, the establishment of MCI was approved by the Minister of Law and Human Rights through letter No. AHU-2445684.AH.01.01 year 2015. MCI obtained a license to carry out business activities in the venture capital sector on November 10, 2015 through the decree of the Board of Commissioners of the Financial Services Authority No. SR-6035/NB.111/ 2015 stating that MCI may carry out full operational activities.

Based on the Letter of Approval from the FSA No. S-1/PB.31/2016 dated January 7, 2016, regarding the Application for Approval of the Bank's investment in PT Mandiri Capital Indonesia (MCI), the FSA expressed no objection to Bank Mandiri's plan of additional equity investment to MCI.

As of February 5, 2016, MCI has obtained the approval of changes in Articles of Association regarding to the increase in authorised capital and issued capital by Minister of Law and Human Rights based on letter No. AHU-0002343.AH.01.02 year 2016 as documented in Notarial No. 13 dated February 3, 2016 which the Bank's authorised and issued capital became Rp349,900 representing 99.97% share ownership in MCI and PT Mandiri Sekuritas became Rp100 representing 0,03% share ownership in MCI, therefore the capital structure in MCI amounted to Rp350,000.

The additional equity investment to MCI was done through the issuance of 3,400 new shares in MCI, each share has a nominal value of Rp100,000,000 (full amount) in which all such new and all shares were executed by Bank Mandiri (100%).

Based on the approval letter from FSA No. S-69/PB.31/2017 dated July 26, 2017 regarding the Application for Approval of the Bank's investment to PT Mandiri Capital Indonesia (MCI), the FSA expressed no objection to Bank Mandiri's plan of additional equity investment to MCI.

As of September 13, 2017, MCI has obtained the approval of changes in Articles of Association regarding to the increase in authorised capital and issued capital by Minister of Law and Human Rights based on letter No. AHU-0018840.AH.01.02 year 2017 as documented in Notarial No. 08 dated September 7, 2017 which the Bank's authorised and issued capital became Rp549,900 representing 99.98% share ownership in MCI and PT Mandiri Sekuritas became Rp100 representing 0,02% share ownership in MCI, therefore the capital structure in MCI amounted to Rp550,000.

The additional equity investment to MCI was done through the issuance of 2,000 new shares in MCI, each share has a nominal value of Rp100,000,000- (full amount) in which all such new and all shares were executed by Bank Mandiri (100%).

Based on the approval letter from FSA No. S-14/PB.31/2019 dated January 31, 2019 regarding Bank's additional investment to PT Mandiri Capital Indonesia, FSA has recorded Bank Mandiri's plan to conduct the additional investment to MCI in FSA's administration.

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**1. GENERAL INFORMATION (continued)**

**g. Subsidiaries (continued)**

**PT Mandiri Capital Indonesia (continued)**

As of February 7, 2019, MCI has obtained the approval of changes in Articles of Association regarding to the increase in authorised capital and issued capital by Minister of Law and Human Rights based on letter No.AHU-00063880.AH.01.02 year 2019 as documented in Notarial No. 06 dated February 7, 2019 which the Bank's authorised and issued capital became Rp1,096,900 representing 99.99% share ownership in MCI and PT Mandiri Sekuritas became Rp100 representing 0,01% share ownership in MCI, therefore the capital structure in MCI amounted to Rp1,097,000.

The additional equity investment to MCI was done through the issuance of 5,470 new shares in MCI, each share has a nominal value of Rp100,000,000 (full amount) in which all such new and all shares were executed by Bank Mandiri (100%).

Based on the approval letter from FSA No. S-111/PB.31/2019 dated July 30, 2019 regarding Bank's additional investment to PT Mandiri Capital Indonesia, FSA has recorded Bank Mandiri's plan to conduct the additional investment to MCI in FSA's administration.

As of July 30, 2019, MCI has obtained the approval of changes in Articles of Association regarding to the increase in authorised capital and issued capital by Minister of Law and Human Rights based on letter No.AHU-0044080.AH.01.02 year 2019 as documented in Notarial No. 13 dated July 30, 2019 which the Bank's authorised and issued capital became Rp1,456,900 representing 99.99% share ownership in MCI and PT Mandiri Sekuritas became Rp100 representing 0,01% share ownership in MCI, therefore the capital structure in MCI amounted to Rp1,457,000.

The additional equity investment to MCI was done through the issuance of 3,600 new shares in MCI, each share has a nominal value of Rp100,000,000 (full amount) in which all such new and all shares were executed by Bank Mandiri (100%).

**PT Mandiri AXA General Insurance**

PT Mandiri AXA General Insurance ("MAGI") is a joint venture between Bank Mandiri with AXA Société Anonyme engaged in general insurance. MAGI was formerly known as PT Maskapai Asuransi Dharma Bangsa (PT Insurance Society Dharma Bangsa Ltd) which was established based on Notarial Deed of Sie Khwan Djioe No. 109 dated July 28, 1961 in Jakarta and approved by the Minister of Justice through its letter No. J.A.5/11/4 dated January 20, 1962. The name of the Company, PT Maskapai Asuransi Dharma Bangsa, was subsequently changed to PT Asuransi Dharma Bangsa as notarised by Imas Fatimah, S.H. No. 54 dated December 17, 1997, and approved by the Minister of Justice through the Ministry of Justice Decree No. C2-2421.HT.01.04.TH.98 dated March 26, 1998.

In Bank Mandiri's General Shareholder Meeting dated May 23, 2011, Bank Mandiri's shareholders approved the Bank's plans to acquire 120,000 (one hundred and twenty thousand) new shares issued by PT Asuransi Dharma Bangsa. The Bank's investment in PT Asuransi Dharma Bangsa was approved by Bank Indonesia through its letter No. 13/59/DPB1/TPB1-1 dated July 28, 2011.



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**1. GENERAL INFORMATION (continued)**

**g. Subsidiaries (continued)**

**PT Mandiri AXA General Insurance (continued)**

On October 11, 2011, Bank Mandiri acquired 120,000 (one hundred and twenty thousand) new shares issued by PT Asuransi Dharma Bangsa with a total value of Rp60,000 as notarised by Notarial deed of Yualita Widyadhari, S.H. No. 23 dated October 11, 2011. After this acquisition, Bank Mandiri became the shareholder of PT Asuransi Dharma Bangsa with 60.00% ownership. This was ratified in the General Shareholders Meeting of PT Asuransi Dharma Bangsa in accordance with notarial deed of Yualita Widyadhari, SH No. 22 dated October 11, 2011. The notarial deed had been received by the Ministry of Justice and Human Rights Republic of Indonesia as documented in its letter No. AHU-AH.01.10-10-33252 dated October 17, 2011 regarding Acceptance Notification on the Amendment of PT Asuransi Dharma Bangsa's Article of Association.

Subsequently, the name of PT Asuransi Dharma Bangsa, was changed to PT Mandiri AXA General Insurance in accordance with the notarial deed of Yualita Widyadhari, S.H. No. 90 dated October 18, 2011. The notarial deed had been received by the Ministry of Justice and Human Rights of the Republic of Indonesia as documented in its letter No. AHU-51976.AH.01.02 dated October 25, 2011 regarding Acceptance Notification on the amendment of PT Mandiri AXA General Insurance's Article of Association.

In conducting its business, MAGI has been granted a license from the Insurance Bureau of Bapepam and LK Ministry of Finance of the Republic of Indonesia (*Biro Perasuransian Bapepam dan LK Kementerian Keuangan*) through letter No. S-12583/BL/2011 dated November 22, 2011 regarding the Activation of General Insurance Business License and Change of the Company's name from PT Asuransi Dharma Bangsa to PT Mandiri AXA General Insurance. The shares composition owned by PT Bank Mandiri (Persero) Tbk 120,000 shares amounted to Rp60,000,000,000 (full amount) and AXA S.A owned 80,000 shares amounted to Rp40,000,000,000 (full amount). In 2014, shares of AXA S.A were sold to AXA ASIA in accordance with the Notary Deed of Mala Mukti S.H., L.LM dated January 6, 2014 and submitted to the Ministry of Law and Human Rights of the Republic of Indonesia and received by letter No. AHU-AH.01.10.01330 dated January 10, 2014.

The FSA through its letter No. S-42/PB.31/2014 dated May 14, 2014 and letter No. 5-94/PB.31/2014 dated October 31, 2014 has approved the Additional Capital Investment of PT Bank Mandiri (Persero) Tbk in PT Mandiri AXA General Insurance amounted to Rp24,000 and Rp63,000. The additional capital investment has been approved by circularised decision of the General Meeting of Shareholders (RUPS). As documented in Notarial Wiwiek Widhi Astuti No. 20 dated June 6, 2014 and No. 27 dated November 21, 2014, has been approved by the Ministry of Justice and Human Rights through its letter No. AHU-03896.40.20.2014 dated June 12, 2014 and No. AHU-08879.40.21.2014 dated November 26, 2014. The addition of the equity investment did not change the percentage of share ownership whereas Bank Mandiri owned 60% and AXA S.A owned 40% MAGI.

Based on the letter of approval from the FSA No. S-52/PB.31/2015 dated June 25, 2015 regarding the Application for Approval of Increase in Investment of PT Mandiri AXA General Insurance, the FSA expressed no objection to the plan of the Bank to make additional capital investments in MAGI amounted to Rp30,000.

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**1. GENERAL INFORMATION (continued)**

**g. Subsidiaries (continued)**

**PT Mandiri AXA General Insurance (continued)**

On July 9, 2015, the Bank carried out the execution of the additional investment to MAGI amounted to Rp30,000. The total increase in capital in PT MAGI amounted to Rp50,000 equal to the additional capital injection in proportion to its percentage shareholding in Bank Mandiri MAGI by 60% and AXA S.A by 40%, so the Bank increased its investment of Rp30,000 and AXA S.A of Rp20,000. The increase in capital did not change the percentage of share ownership in the overall MAGI-owned by Bank Mandiri of 60% and AXA S.A of 40%.

Based on the letter of approval from the FSA No. S-72/PB.31/2016 dated August 3, 2016 regarding the Application for Approval of Increase in Investment PT Mandiri AXA General Insurance, the FSA expressed no objection to the plan of the Bank to make additional capital investments to MAGI amounted to Rp30,000. On August 9, 2016, the Bank made the additional investment transaction execution to MAGI amounted to Rp30,000. The total additional investment to MAGI is Rp50,000 with the amount of additional capital injection in proportion to its percentage shareholding of the Bank in MAGI by 60% and AXA SA by 40%, therefore the Bank increased its investment of Rp30,000 and AXA SA by Rp20,000. The increase in capital did not change the percentage of ownership in the overall MAGI-owned by Bank Mandiri amounted to 60% and AXA S.A by 40%.

On October 31, 2018, the Bank obtained approval from FSA regarding to the divestment plan on PT Mandiri AXA General Insurance through Decision Letter No. S-122/PB.31/2018 regarding the Divestment Initiative of the Bank's Share Investment in PT Mandiri AXA General Insurance. The Bank obtained approval from the Ministry of State Owned Enterprises in its Decision Letter No. S-635/MBU/09/2018 dated September 26, 2018.

On November 21, 2018, AXA ASIA purchased 276,000 (two hundreds and seventy six thousands) shares owned by PT Bank Mandiri (Persero) Tbk which issued by PT Mandiri AXA General Insurance and registered in the Share Transfer Deed of Mala Mukti SH L.LM. No. 52 dated November 21, 2018. After shares purchasing, Bank Mandiri owned 20.00% shares of PT Mandiri AXA General Insurance which was ratified in General Shareholder's Meeting as covered in the Notarial Deed of Mala Mukti SH., L.LM No. 54 dated November 21, 2018 and was submitted to Ministry of Law and Human Rights of Republic Indonesia in its Decision Letter No. AHU-AH.01.03-10-0268916 dated November 28, 2018. PT Mandiri AXA General Insurance has submitted the changes of the shareholder's composition to FSA which had been approved on December 12, 2018. Since the change of ownership of Bank Mandiri in MAGI became 20%, MAGI's financial statements was no longer consolidated to Bank Mandiri.

On December 1, 2019, PT Mandiri AXA General Insurance has taken corporate action in the form of merger & acquisition with PT Asuransi AXA Indonesia, where PT Mandiri AXA General Insurance as the entity that received the merger results. This has been approved by the Financial Services Authority through Letter No. S-32/D.05/2019 dated November 26, 2019 concerning The Merger Approval of PT Asuransi AXA Indonesia into PT Mandiri AXA General Insurance. This merger has been contained in Notarial Deed No. 104 dated November 27, 2019 and Notarial Deed No. 105 dated 27, 2019, both were made before Notary Mala Mukti, S.H., LL. M, notary in Jakarta, and has been recorded in the Legal Entity Administration System (SABH) of the Ministry of Law and Human Rights of the Republic of Indonesia through Letter Number AHU-AH.01.10-0010347 dated November 28, 2019 concerning receipt of the Merger Notice of PT Mandiri AXA General Insurance.

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**1. GENERAL INFORMATION (continued)**

**h. Structure and Management**

Bank Mandiri's head office is located on Jalan Jenderal Gatot Subroto Kavling 36-38, South Jakarta, Indonesia, As of December 31, 2020 and 2019, Bank Mandiri's domestic and overseas offices are as follows:

	December 31, 2020	December 31, 2019
Domestic regional offices	12	12
Domestic branches:		
Branch Offices <sup>*)</sup>	140	139
Sub-Branch Offices	2,280	2,304
Cash Outlets	90	140
	2,510	2,583
Overseas branches	6	6

<sup>\*)</sup> Several branch offices functioning as area offices

As of December 31, 2020, Bank Mandiri has 6 overseas branches located in Cayman Islands, Singapore, Hong Kong, Dili Timor Leste, Shanghai (People's Republic of China) and Dili Timor Plaza, and 1 Remittance Office in Hong Kong.

To support Bank Mandiri's vision "Indonesia's Best, ASEAN's Prominent", Bank Mandiri divided its organisation structure into Strategic Business Units (SBU) to three major groups, which are:

1. Business Units, are responsible as the Bank's main business development or operational segment unit, consists of 2 (two) main segments, namely Wholesale Banking which consists of Corporate Banking, Commercial Banking, Government Institutional, Treasury & International Banking and Retail banking which consists of Credit Card, Micro Personal Loan, Small & Medium Enterprise Banking and Micro Development & Agent Banking.
2. Support Functions, are responsible as supporting units that provide overall support to Bank's operations consisting of Special Asset Management, Risk Management which monitors Wholesale Risk and Retail Risk, Information Technology & Operation that supervises Operation, Compliance, Strategic and Finance, Internal Audit and Corporate Transformation.
3. Small Business & Distribution are responsible as selling products and goods unit to all segments of Bank's customers, consisting of 12 (twelve) Regional Offices that are spread out across Indonesia and wealth management.

Bank Mandiri has made changes in its organizational structure which became effective on November 10, 2020, as stated in the Decree (SK) Board No.KEP.DIR/133/2020 dated November 9, 2020 on the Organizational Structure. Changes in the organizational structure of Bank Mandiri was done through rearranging the organization and forming a new structural and functional working unit to meet the needs and development of the Bank.

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**1. GENERAL INFORMATION (continued)**

**h. Structure and Management (continued)**

As of December 31, 2020 and 2019, the members of Bank Mandiri's Boards of Commissioners are as follows:

	December 31, 2020	December 31, 2019
<u>Board of Commissioners</u>		
President Commissioner/		
Independent Commissioner	: Muhamad Chatib Basri	-
President Commissioner	: -	Kartika Wirjoatmodjo
Deputy Chief Commissioner/		
Independent Commissioner	: Andrinof A. Chaniago	Muhamad Chatib Basri
Independent Commissioner	: Mohamad Nasir	Makmur Keliat
Independent Commissioner	: Boedi Armanto	Mohamad Nasir
Independent Commissioner	: Loeke Larasati A.	Robertus Bilita
Commissioner	: Ardan Adiperdana	Ardan Adiperdana
Commissioner	: Rionald Silaban	R. Widyono Pramono
Commissioner	: Arif Budimanta	Rionald Silaban
Commissioner	: Faried Utomo	-
Commissioner	: Nawal Nely	-

As of December 31, 2020 and 2019, the members of Bank Mandiri's Board of Directors are as follows:

	December 31, 2020
<u>Board of Directors</u>	
President Director	: Darmawan Junaidi
Deputy of President Director	: Alexandra Askandar
Director of Risk Management	: Ahmad Siddik Badruddin
Director of Information Technology	: Rico Usthavia Frans
Director of Treasury and International Banking	: Panji Irawan
Director of Corporate Banking	: Susana Indah K. Indriati <sup>*)</sup>
Director of Compliance and Human Resources	: Agus Dwi Handaya
Director of Operation	: Toni Eko Boy Subari <sup>*)</sup>
Director of Government Institutional	: Rohan Hafas
Director of Commercial Banking	: Riduan
Director of Finance and Strategy	: Sigit Prastowo
Director of Consumer and Retail Banking	: Aquarius Rudianto

<sup>\*)</sup> Appointed in Annual General Meeting of Shareholders of Bank Mandiri dated October 21, 2020 and effective on January 15, 2021

<sup>\*\*)</sup> Appointed in Annual General Meeting of Shareholders of Bank Mandiri dated October 21, 2020 and effective on January 21, 2021.

	December 31, 2019
<u>Board of Directors</u>	
President Director	: Royke Tumilaar
Deputy of President Director	: Sulaiman Arif Arianto
Director of Consumer and Retail Transaction	: Hery Gunardi
Director of Risk Management	: Ahmad Siddik Badruddin
Director of Information Technology	: Rico Usthavia Frans
Director of Treasury, International Banking and Special Asset Management	: Darmawan Junaidi
Director of Corporate Banking	: Alexandra Askandar
Director of Compliance and Human Resources	: Agus Dwi Handaya
Director of Operation	: Panji Irawan
Director of Government Institutional	: Donsuwan Simatupang
Director of Commercial Banking	: Riduan
Director of Finance and Strategy	: Silvano Winston Rumantir

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**1. GENERAL INFORMATION (continued)**

**h. Structure and Management (continued)**

As of December 31, 2020 and 2019, the members of Bank Mandiri's Audit Committee are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Chairman and member	: Boedi Armanto	Ardan Adiperdana
Member	: Muhamad Chatib Basri	Makmur Keliat
Member	: Andrinof A. Chaniago	R. Widyo Pramono
Member	: Mohamad Nasir	Mohamad Nasir
Member	: Loeke Larasati A.	Robertus Bilitea
Member	: Bambang Ratmanto	Bambang Ratmanto
Member	: Ridwan D. Ayub	Ridwan D. Ayub

As of December 31, 2020 and 2019, Bank Mandiri's Remuneration and Nomination Committee are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Chairman and member	: Muhamad Chatib Basri	R. Widyo Pramono
Member	: Andrinof A. Chaniago	Kartika Wirjoatmodjo
Member	: Mohamad Nasir	Makmur Keliat
Member	: Rionald Silaban	Ardan Adiperdana
Member	: Arif Budimanta	Robertus Bilitea
Member	: Indri K. Hidayat	Indri K. Hidayat
Secretary (ex-officio)	: SEVP/ Group Head Human Capital	Group Head or Executive Officer Human Capital whose appointed

As of December 31, 2020 and 2019, Bank Mandiri's Risk Oversight Committee are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Chairman and Member	: Andrinof A. Chaniago	Makmur Keliat
Member	: Boedi Armanto	Muhamad Chatib Basri
Member	: Loeke Larasati A.	Ardan Adiperdana
Member	: Ardan Adiperdana	R. Widyo Pramono
Member	: Nawal Nely	Rionald Silaban
Member	: Arif Budimanta	Lista Irna
Member	: Lista Irna	Chrisna Pranoto
Member	: Chrisna Pranoto	-

As of December 31, 2020 and 2019, Bank Mandiri's Integrated Governance Committee are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Chairman and Member	: Muhamad Chatib Basri	Makmur Keliat
Member	: Andrinof A. Chaniago	Kartika Wirjoatmodjo <sup>*)</sup>
Member	: Loeke Larasati A.	Muhamad Chatib Basri <sup>*)</sup>
Member	: Ardan Adiperdana	Ardan Adiperdana
Member	: Faried Utomo	R. Widyo Pramono
Member	: Bambang Ratmanto	Robertus Bilitea <sup>*)</sup>
Member	: Chrisna Pranoto	Rionald Silaban
Member	: Independent Commissioner Bank Mantap <sup>**)</sup>	Ridwan Darmawan Ayub
Member	: Independent Commissioner MAGI <sup>**)</sup>	Chrisna Pranoto
Member	: Independent Commissioner Mansek <sup>**)</sup>	Independent Commissioner Bank Mantap <sup>**)</sup>

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**1. GENERAL INFORMATION (continued)**

**h. Structure and Management (continued)**

As of December 31, 2020 and 2019, Bank Mandiri's Integrated Governance Committee are as follows (continued):

	December 31, 2020	December 31, 2019
Member	: Independent Commissioner AMFS <sup>*)</sup>	Independent Commissioner MAGI <sup>**)</sup>
Member	: Independent Commissioner MTF <sup>*)</sup>	Independent Commissioner Mansek <sup>**)</sup>
Member	: Independent Commissioner MUF <sup>*)</sup>	Independent Commissioner AMFS <sup>*)</sup>
Member	: Independent Commissioner MCI <sup>*)</sup>	Independent Commissioner MTF <sup>*)</sup>
Member	: Independent Commissioner Inhealth <sup>*)</sup>	Independent Commissioner Life Insurance Inhealth <sup>*)</sup>
Member	: Independent Commissioner BSM <sup>*)</sup>	Independent Commissioner BSM <sup>*)</sup>
Member	: Sharia Supervisory Board from subsidiary <sup>*)</sup>	Sharia Supervisory Board from subsidiary <sup>*)</sup>

<sup>\*)</sup> The voting rights in decision making is awaiting for the result of the Fit and Proper Test and approval for appointment as Board of Commissioner from FSA on year 2020.

<sup>\*\*)</sup> Confirming the subsidiaries executives

As of December 31, 2020 and 2019, the Chairman of the Internal Audit of Bank Mandiri is Mustaslimah.

As of December 31, 2020 Bank Mandiri's Corporate Secretary is Rudi As Aturridha and as of December 31, 2019, Bank Mandiri's Corporate Secretary is Rohan Hafas.

The number of employees of Bank Mandiri on December 31, 2020 and 2019 is 38,247 and 39,065 people, respectively (unaudited).

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statement of Bank and Subsidiaries ("Group") were completed and authorised for issuance by the Board of Directors on January 21, 2021.

The consolidated financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards which comprised of the Statements and Interpretations issued by the Board of Financial Accounting Standards of the Indonesian Institute of Accountants and the Capital Market Supervisory Agency and Financial Institution ("Bapepam and LK") regulation No. VIII.G.7 Attachment of the Chairman of Bapepam and LK's decree No. KEP-347/BL/2012 dated June 25, 2012, regarding "Financial Statements Presentation and Disclosure for Issuer or Public Companies".

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## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **a. Basis of Preparation of the Consolidated Financial Statements**

The principal accounting policies adopted in preparing the consolidated financial statement of the Bank and Subsidiaries are set out below:

The consolidated financial statements have been prepared under the historical cost, except for financial assets classified as fair value through other comprehensive income, financial assets and liabilities measured at fair value through profit or loss and all derivative instruments which have been measured at fair value and land assets measured at fair value since April 1, 2016. The consolidated financial statement is prepared under the accrual basis of accounting, except for the consolidated statement of cash flows. Consolidated statement of cash flows are prepared using the direct method by classifying cash flows in operating, investing and financing activities.

Items within Other Comprehensive Income are classified separately, between accounts which will be reclassified to Profit or Loss and will not be reclassified to Profit or Loss.

The financial statement of a Subsidiary engaged in sharia banking have been prepared based on with the Statement of Financial Accounting Standards (SFAS) No. 101 (Revised 2016), "Presentation of Financial Statements for Sharia Banking", SFAS No. 102 (Revised 2019) "Accounting for *Murabahah*", SFAS No. 104 (Revised 2016) "Accounting for *Istishna*", SFAS No. 105 "Accounting for *Mudharabah*", SFAS No. 106 "Accounting for *Musyarakah*", SFAS No. 107 (Revised 2016) "Accounting for *Ijarah*", SFAS No. 110 (Revised 2015) "Accounting for *Sukuk*", SFAS No. 111 "Accounting for *Wa'd*" and other prevailing Statement of Financial Accounting Standards, as long as it does not contradict with Sharia principle on Accounting Guidelines for Indonesian Sharia Banking (PAPSI) (Revised 2013).

The preparation of financial statements in accordance with Indonesian Financial Accounting Standards requires the use of estimates and assumptions. It also requires management to make judgments in the process of applying the accounting policies of the Group. The area that is complex or requires a higher level of consideration or areas where assumptions and estimates could have a significant impact on the consolidated financial statements is disclosed in Note 3.

All figures in the consolidated financial statements, are rounded and presented in million rupiah ("Rp") unless otherwise stated.

### **b. Changes in accounting policies**

On January 1, 2020, the Group adopted new and revised or amendment of financial accounting standards that are relevant to the Group's and effective for application from that date:

- SFAS No. 1 (2019 Amendment): "Presentation of Financial Statements"
- SFAS No. 15 (2017 Amendment): "Investment in Associates and Joint Ventures regarding Long-term Interests in Associates and Joint Ventures"
- SFAS 25 (2019 Amendment): "Accounting Policies, Changes in Accounting Estimates and Errors"
- SFAS 62 (2017 Amendment): "Insurance Contract"
- SFAS 71: "Financial Instruments"
- SFAS 72: "Revenue from Contracts with Customers"
- SFAS 73: "Leases"

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**b. Changes in accounting policies (continued)**

On January 1, 2020, the Group adopted new and revised or amendment of financial accounting standards that are relevant to the Group's and effective for application from that date (continued):

- Amendment SFAS 71: "Financial Instrument regarding Prepayment Features with Negative Compensation"
- Amendment SFAS 102: "Accounting for Murabahah"
- ISAK 35: "Presentation of Financial Statements Non-Profit Oriented Entities"
- ISAK 101: "Recognition of Deferred Murabahah Revenues without Significant Risks regarding Ownership of Inventory"
- ISAK 102: "Impairment Value of Murabahah Receivable"
- PPSAK 13: Revoked SFAS 45 "Financial Statements Non-Profit Oriented Entities"

The Group assesses that the adoption of these new and revised or amendment standards and interpretations which are effective since January 1, 2020. The Group did not restate comparative financial information of 2019 in relation to this implementation of SFAS 71 "Financial Instrument" and SFAS 73 "Leases", therefore the comparative information for 2019 is not comparable with presented financial information for the year ended December 31, 2020. The differences arising from the implementation of SFAS 71 "Financial Instruments" have been charged to retained earnings on January 1, 2020. As for SFAS 73 "Leases" the Group has recorded right of use assets and lease liabilities on January 1, 2020. The impact from the implementation of SFAS 71 "Financial Instruments" and SFAS 73 "Leases" by the Group are disclosed in Note 68 and had no material impact to the Group's consolidated financial statements.

**c. Financial instruments**

**A. Financial assets**

The Group classified its financial assets in the following categories (a) financial assets measured at fair value through profit or loss (FVPL), (b) financial assets measured at fair value through other comprehensive income (FVOCI), and (c) financial assets measured at amortised cost.

The Company used 2 (two) methods to classify its financial assets, which based on the Company's business model in managing the financial assets, and the contractual cash flow of the financial assets (solely payment of principal and interest (SPPI)).

SPPI Test

As a first step of its classification process, the Group assesses the contractual terms of financial to identify whether they meet the SPPI test.

Principal for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.



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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial instruments (continued)**

**A. Financial assets (continued)**

SPPI Test (continued)

In contrast, contractual terms that introduce a more than *de minimis* exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured as Fair Value through Profit Loss (FVTPL).

Business model assessment

The Group determines its business model at the level that best reflects how it manages Company's of financial assets to achieve its business objective.

The Company's business model is not assessed by each instrument, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular the way those risks are managed;
- How business managers are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected);
- The expected frequency, value, and timing of sales are also important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking "worst case" or "stress case" scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

**(a) Financial assets measured at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless the business model test and the contractual cash flow test show that financial assets entering into classifications are measured at amortized cost or fair value through other comprehensive income.

This classification is intended for held for trading financial instruments or at the time of initial recognition has been determined by the Group to be measured at fair value through profit or loss.

A financial asset is classified as held for trading, if it has been acquired principally for the purpose of selling in the near term or on initial recognition it is part of a portfolio of identified financial instruments that the entity manages together and has a recent actual pattern of short-term profit-taking.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial instruments (continued)**

**A. Financial assets (continued)**

(a) Financial assets measured at fair value through profit or loss (continued)

Financial assets classified at initial recognition as measured at fair value through profit or loss are held by the Subsidiary to cover its insurance liabilities which measure at fair value of the underlying assets. Financial instruments classified into this category are recognized at fair value on initial recognition, transaction costs are recognized directly in the consolidated statement of profit or loss and other comprehensive income. Gains and losses arising from changes in fair value, sale of financial instruments and interest income on financial instruments measured at fair value through profit or loss are recognized in the consolidated statement of profit or loss and other comprehensive income recorded as "net Income from fair value through profit or loss classification".

(b) Financial assets measured at fair value through other comprehensive income

Financial assets are managed in a business model which objectives will be fulfilled by obtaining contractual cash flows and selling financial assets and contractual requirements of financial assets which on a certain date increase the cash flow solely from the principal and interest payments (solely payments of principal and interest) of the amount owed.

At the initial recognition, debt instruments measured at fair value through other comprehensive income are recognized at the fair value plus the transaction costs and subsequently measured at fair value where the gain or loss from changes in fair value, gain or loss from the exchange rate, and impairment, are recognized as other comprehensive income. Dividend from equity is recognized in profit or loss.

Expected credit losses are recognized as an additions of other comprehensive income in the statement of financial position (not reducing the number of recorded financial assets in financial statements). Interest income is calculated using the effective interest rate method.

(c) Financial assets measured at amortized cost

Financial assets are measured at amortized cost if the financial asset is managed in a business model to obtain a contractual cash flow and the contractual arrangement of a financial asset at certain date to obtain cash flow solely from the principal and interest payments (solely payments of principal and interest) of the amount owed.

At initial recognition, the financial assets measured at amortized cost are recognized at the fair value plus the transaction costs and subsequently measured at amortized cost by using the effective interest rate.

Interest income from financial assets measured at amortized cost is recorded in the statement of profit and loss and other comprehensive income and is recognized as "interest income". When the decline in value occurs, the impairment loss is recognized as a deduction to the carrying amount of the financial asset and is recognized in the financial statements as "impairment loss".

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial instruments (continued)**

**A. Financial assets (continued)**

Before January 1, 2020, the Group classified the financial assets into categories (a) financial assets at fair value through profit or loss, (b) loans and receivables, (c) financial assets held-to-maturity and (d) available-for-sale financial assets. This classification depends on the purpose for which the financial asset was acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

This category comprises two sub-categories: financial assets classified as held for trading and financial assets designated by the Group as of fair value through profit or loss upon initial recognition.

A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking. Derivatives are also categorised as held for trading unless they are designated and effective as hedging instruments.

A financial asset designated as fair value through profit or loss at inception is held to reserve the insurance liabilities of Subsidiary measured at fair value of the underlying assets.

Financial instruments included in this category are recognised initially at fair value; transaction costs are charged directly to the consolidated statement of profit or loss and other comprehensive income. Gains and losses arising from changes in fair value, sales of financial instruments and interest income from financial instruments at fair value through profit or loss are recorded in the consolidated statement of profit or loss and other comprehensive income in trading income - net.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- those that the Group intends to sell immediately or in the short term, which are classified as held for trading, and those that the Group upon initial recognition designates as at fair value through profit or loss;
- those that the Group upon initial recognition designates as available for sale; or
- those for which the Group may not recover substantially all of its initial investment, other than because of loans and receivables impairment.

Loans and receivables are initially recognised at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Income on financial assets classified as loans and receivables is included in the consolidated statement of profit or loss and other comprehensive income and reported as "Interest income". In the case of impairment, the impairment loss is reported as a deduction from the carrying value of the financial assets classified as loan and receivables and recognised in the consolidated statement profit or loss and other comprehensive income as "Allowance for impairment losses".

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial instruments (continued)**

**A. Financial assets (continued)**

(c) Financial assets held-to-maturity

Financial assets held-to-maturity are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to held to maturity, other than:

- those that the Group upon initial recognition designates as at fair value through profit or loss;
- those that the Group designates as available for sale; and
- those that meet the definition of loans and receivables.

Held-to-maturity financial assets are initially recognised at fair value including transaction costs and subsequently measured at amortised cost using the effective interest method.

Interest income on financial assets held-to-maturity is included in the consolidated statement of profit or loss and other comprehensive income and reported as "Interest income". In the case of impairment, the impairment loss is reported as a deduction from the carrying value of the investment and recognised in the consolidated financial statements as "Allowance for impairment losses".

d) Available for sale financial assets

Available for sale financial assets are financial assets that are intended to be held for indefinite period of time, which may be sold in response the needs for liquidity or changes in interest rates, exchange rates or that are not classified as loans and receivables, held-to-maturity or financial assets at fair value through profit or loss.

Available for sale financial assets are initially recognised at fair value, plus transaction costs, and measured subsequently at fair value with gains or losses arising from the changes in fair value are recognised as other comprehensive income, except for impairment losses and foreign exchange gains or losses for debt instrument. For equity instrument, foreign exchange gains or losses are recognised in the consolidated statement of profit or loss and other comprehensive income, until the financial assets is derecognised. If available for sale financial asset is determined to be impaired, the cumulative unrealised gain or loss arising from the changes in fair value previously recognised as other comprehensive income is recognised in the profit or loss. Interest income is calculated using the effective interest method.

Recognition

The Bank uses trade date accounting for recording marketable securities and government bonds transactions. Financial assets that are transferred to a third party but not qualify for derecognition are presented in the consolidated statement of financial position as "other assets - receivables from marketable securities and government bonds pledged as collateral", if the transferee has the right to sell or repledged them.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial instruments (continued)**

**B. Financial liabilities**

The Group classifies its financial liabilities into the category of (a) financial liabilities at fair value through profit or loss and (b) financial liabilities measured at amortised cost.

(a) Financial liabilities at fair value through profit or loss

This category comprises two sub-categories: financial liabilities classified as fair value through profit or loss, and financial liabilities designated by the Group as at fair value through profit or loss upon initial recognition.

A financial liability is classified as fair value through profit or loss, if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking. Derivatives are also categorised as held for trading unless they are designated and effective as hedging instruments.

Gains and losses arising from changes in fair value of financial liabilities classified as fair value through profit or loss, are included in the consolidated statement of profit or loss and other comprehensive income as "Net income from fair value through profit or loss classification". Interest expense from financial liability classified as trading are recorded as "Net income from fair value through profit or loss classification".

If the Group designated certain debt securities upon initial recognition as at fair value through profit or loss (fair value option), then this designation cannot be changed subsequently.

Changes of fair value related to financial liabilities designated at fair value through profit or loss are recognised in "Net income from fair value through profit or loss classification". Interest expense from financial liabilities designated at fair value through profit or loss are recorded as "Net income from fair value through profit or loss classification".

(b) Financial liabilities at amortised cost

After initial recognition, the Group measures all financial liabilities at amortised cost, except:

1. Financial liabilities measured at fair value through profit or loss.
2. Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach is applied.
3. Financial guarantee contracts.
4. Commitment to providing loans at below market interest rates.
5. Contingent consideration recognized by the acquirer in the business combination.

At initial recognition, financial liabilities at amortised cost measured at fair value are deducted by transaction cost. After initial recognition, the Group measures all financial liabilities at amortised cost using the effective interest rate method. Effective interest rate amortisation is recognised as "Interest expense".

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial instruments (continued)**

**B. Financial liabilities (continued)**

Before January 1, 2020, the Group classifies its financial liabilities into the category of (a) financial liabilities at fair value through profit or loss and (b) financial liabilities measured at amortised cost.

(a) Financial liabilities at fair value through profit or loss

This category comprises two sub-categories: financial liabilities classified as held for trading, and financial liabilities designated by the Group as at fair value through profit or loss upon initial recognition.

A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking. Derivatives are also categorised as held for trading unless they are designated and effective as hedging instruments.

Gains and losses arising from changes in fair value of financial liabilities classified as held for trading are included in the consolidated statement of profit or loss and other comprehensive income as "Trading income - net". Interest expense from financial liability classified as trading are recorded as "Trading income - net".

If the Group designated certain debt securities upon initial recognition as at fair value through profit or loss (fair value option), then this designation cannot be changed subsequently. According to SFAS No. 55, debt securities which classified as fair value option consists of debt host and embedded derivatives that must be separated.

Changes of fair value related to financial liabilities designated at fair value through profit or loss are recognised in "Trading income - net". Interest expense from financial liabilities designated at fair value through profit or loss are recorded as "Trading income - net".

(b) Financial liabilities at amortised cost

Financial liabilities at amortised cost are initially recognised at fair value deducted by transaction costs.

After initial recognition, the Group measures all financial liabilities at amortised cost using the effective interest rate method. Effective interest rate amortisation is recognised as "Interest expense".

**C. Derecognition**

**Derecognition of Financial Assets**

Financial assets are derecognised when the contractual rights to receive the cash flows from these assets have expired or matured the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred (that is, if substantially all the risks and rewards have not been transferred, the Group tests control to ensure that continuing involvement on the basis of any retained powers of control does not prevent derecognition).

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial instruments (continued)**

**C. Derecognition (continued)**

**Derecognition of Financial Assets (continued)**

Collateral that is submitted by the Group under the agreement of securities sold under agreements to repurchase and securities lending and borrowing transactions is not derecognised because the Group substantially has all the risks and benefits of the collateral, based on the requirement that the repurchase price has been determined at the beginning, so that the criteria for derecognition are not met.

**Derecognition of Financial Liabilities**

Financial liabilities are derecognised when the financial liabilities have expired because the obligations specified in the contract have been released, canceled or expired or if there is a substantial change in the terms of a financial liability, the financial liability contract before the change will be written off and the Group will recognize the new financial liability.

**Write-offs**

In the case of financial assets' write-off is a continuation of the financial assets' settlement by taking over collaterals, the written-off amount is approximately equal to the difference between the fair value of repossessed assets after taking into account the financial assets' cost of sales and carrying amount.

Financial assets can be written off when the allowance for impairment losses have been 100% established.

Full write-off is done to the financial assets' carrying amount by debiting the allowance for impairment losses.

**D. Modification of Financial Assets Cash Flow**

An assessment of whether a financial asset has been modified substantially or not substantially is carried out by a business unit whose authorized to modify or restructure financial assets, when the business unit performs modification or restructure of a financial asset.

Modifications to financial assets are considered substantial and the Group will cease to recognize the original financial assets when:

- a) the financial asset (or portion thereof) expires, that is, if the debtor is legally released from primary responsibility for the asset (or any portion thereof), either by legal process or by the creditor entering into a new credit contract (for example, the equity conversion option); or
- b) there is a currency conversion.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial instruments (continued)**

**D. Modification of Financial Assets Cash Flow (continued)**

The Group will measure the substantially and not substantially modified financial assets as follows:

- a) Substantial Modification of Financial Assets
  1. When the contractual cashflow on a financial asset is renegotiated or modified (including when a credit is restructured) and the renegotiation or modification results in derecognition of the financial asset, therefore the Group will record the financial asset as a new / modified financial asset on the modification / negotiation date.
  2. The difference between the gross amount of the initial financial assets and the fair value of the modified assets recorded as profit or loss.
  3. Transaction income or costs incurred in connection with a modification event recognized as part of gain or loss on the modification.
  4. Next, Group assess whether new/modified financial assets are assets originating from impaired financial assets.
  5. Recognition of interest income on assets originating from financial assets is calculated based on an effective interest rate adjusted for credit risk (risk-adjusted effective interest rate) to discount the cash flows of modified financial assets.
  
- b) Non-Substantial Modification of Financial Assets
  1. When the Group renegotiates or modifies contractual cash flows of financial assets (including when loans are restructured) that do not meet the criteria for substantial modification of financial assets above, the renegotiation or modification does not result in derecognition of the financial assets.
  2. The gross carrying amount of financial assets is computed at the net present value of modified or renegotiated contractual cash flows, discounted at the original effective interest rate.
  3. The Group then recognizes the gain or loss from the modification (i.e the change in the gross carrying amount of the financial asset) in the profit or loss.
  4. Transaction income or costs incurred in connection with a modification event are recognized as an adjustment to the carrying amount of the modified financial asset and amortized over the remaining term of the modified financial asset.

**E. Reclassification of financial assets**

**Reclassification Requirements**

The Group is allowed to reclassify the financial assets owned if the Group changes the business model of managing the financial assets and the Group is not allowed to reclassify the financial liabilities.

Changes in the business model should significantly impact the Group's operational activities such as acquiring, disposal or discontinued a line of business. In addition, the Group needs to prove the change of business model to external parties.

The Group will reclassify all financial assets impacted by changes in the business model. The changes of the Group's business model must occur before the reclassification date.



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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial instruments (continued)**

**E. Reclassification of financial assets (continued)**

**Reclassification Requirements (continued)**

The following are not considered as change in business model:

- a) the change of intention relates to certain financial assets (even in situations of significant changes in market conditions),
- b) temporary loss of certain markets for financial assets,
- c) the transfer of financial assets between parts of the Group and different business models.

**Impact of Reclassification of Financial Assets**

The impact of reclassification of financial asset on profit or loss or equity and its initial measurement is as follows:

Reclassification		Impact on profit or loss	Impact on equity	Initial Carrying Value After Reclassification
From	To			
FVPL	Amortised Cost	-	-	1. Fair value at the reclassification date becomes its new gross carrying amount. 2. Effective interest rate is determined at the fair value of the asset at reclassification date.
	FVOCI	-	-	1. Financial assets is measured at fair value. 2. Effective interest rate is determined at the fair value of the asset at reclassification date.
Amortised Cost	FVPL	Difference in carrying amount before reclassification and fair value after reclassification	-	Fair value is measured at reclassification date.
	FVOCI	-	Difference in carrying amount before reclassification and fair value after reclassification	1. Fair value is measured at reclassification date. 2. Effective interest rate and expected credit loss is not adjusted.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial instruments (continued)**

**E. Reclassification of financial assets (continued)**

**Impact of Reclassification of Financial Assets (continued)**

The impact of reclassification of financial asset on profit or loss or equity and its initial measurement is as follows (continued):

Reclassification		Impact on profit or loss	Impact on equity	Initial Carrying Value After Reclassification
From	To			
FVOCI	Amortised Cost	-	Cumulative gain or loss on OCI is adjusted against the fair value of the financial asset	1. Fair value at the reclassification date becomes its new gross carrying amount by added or deducted the previous cumulative gain or loss. 2. Effective interest rate and expected credit loss is not adjusted.
	FVPL	Cumulative gain or loss on OCI is reclassified to profit or loss		Financial assets is measured at fair value

Before January 1, 2020

The Group shall not reclassify any financial instrument out of or into the fair value through profit or loss category while it is held or issued.

The Group shall not classify any financial assets as held-to-maturity if the Group has, during the current financial year or during the two preceding financial years, sold or reclassified more than an insignificant amount of held-to-maturity financial assets before maturity (more than insignificant in relation to the total amount of held-to-maturity financial assets), other than sales or reclassifications that:

- (a) are so close to maturity or the financial asset's call date that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;
- (b) occur after the Group has collected substantially all of the financial asset's original principal through scheduled payments or prepayments; or
- (c) are attributable to an isolated event that is beyond the Group's control, is non-recurring and could not have been reasonably anticipated by the Group.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial instruments (continued)**

**E. Reclassification of financial assets (continued)**

**Impact of Reclassification of Financial Assets (continued)**

Before January 1, 2020 (continued)

Reclassification of financial assets from held to maturity classification to available for sale are recorded at fair value. Unrealised gains or losses are recorded in other comprehensive income component until the financial assets is derecognised, at which time the cumulative gain or loss previously recognised in other comprehensive income shall be recognised in consolidated statement of profit or loss and other comprehensive income under gain/loss from sale of financial assets.

Reclassification of financial assets available for sale to held to maturity recorded at book value. Unrealised gains or losses must be amortised using the effective interest rate until the maturity date of the instrument.

**F. Classes of financial instruments**

The Group classifies the financial instruments into classes that reflect the nature of information and take into account the characteristic of those financial instruments. The classification of financial instrument can be seen in the table below:

Classification		Class
Financial Assets	Financial assets measured at fair value through profit or loss (FVPL)	Marketable securities
		Government bonds
		Derivative receivables - non hedging related
		Loans
	Financial assets measured at fair value through other comprehensive income (FVOCI)	Marketable securities
		Government bonds
		Loans
		Investments in shares
	Financial assets measured at amortised cost (Amortised Cost)	Current accounts with Bank Indonesia
		Current accounts with other banks
		Placements with Bank Indonesia and other banks
		Other receivables - trade transaction
		Marketable securities
Government bonds		
Securities purchased under agreements to resell		
Loans		
Acceptance receivables		

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial instruments (continued)**

**F. Classes of financial instruments (continued)**

Classification of financial assets above based on Classification and Measurement as of January 1, 2020.

Classification		Class
Financial Liabilities	Financial liabilities measured at fair value through profit or loss	Derivative payables - non hedging related
	Financial liabilities measured at amortised cost	Demand deposits
		Saving deposits
		Time deposits
		Interbank call money
		Securities sold under agreements to repurchase
		Acceptance payables
		Debt securities issued
		Fund borrowings
		Subordinated loans
		Guarantee deposits
Off-balance sheet accounts	Unused loan facilities	
	Outstanding irrevocable letters of credit	
	Bank guarantees issued	
	Standby letters of credit	

Before January 1, 2020

The Group classifies the financial instruments into classes that reflect the nature of information and take into account the characteristic of those financial instruments. The classification of financial instrument can be seen in the table below:

Category		Class	Sub-classes
Financial assets	At fair value through profit or loss financial assets	Financial assets held for trading	Marketable securities
			Government bonds
			Derivative receivables - Non hedging related
	Loans and receivables		Current accounts with Bank Indonesia
			Current accounts with other banks
			Placements with Bank Indonesia and other banks
			Other receivables - trade transaction
			Securities purchased under agreements to resell
			Loans and sharia receivable/financing
			Consumer financing receivables
Investment in lease financing			
	Acceptance receivables		

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial instruments (continued)**

**F. Classes of financial instruments (continued)**

Before January 1, 2020 (continued)

The Group classifies the financial instruments into classes that reflect the nature of information and take into account the characteristic of those financial instruments. The classification of financial instrument can be seen in the table below (continued):

	Category	Class	Sub-classes
Financial assets	Loans and receivables	Other assets	Accrued income
			Receivables from customer transactions
			Receivables from sale of marketable securities
			Receivables from policyholders
			Mutual funds receivable
			Receivables from transaction related to ATM and credit card
			Receivables on government bonds pledged as collateral
	Held-to-maturity financial assets		Marketable securities
			Government bonds
	Available-for-sale financial assets		Marketable securities
Government bonds			
Investments in shares - less than 20%			
Hedge derivatives		Cash flow hedging	Derivative receivables - cash flow hedge related
Financial liabilities	At fair value through profit or loss financial liabilities	Financial liabilities held for trading	Derivative payables - non hedging related
	At amortized cost financial liabilities	Deposits from customers	Demand deposits and <i>wadiah</i> demand deposits
			Saving deposits and <i>wadiah</i> saving deposits
			Time deposits
		Deposits from other banks	Demand deposits and <i>wadiah</i> demand deposits and saving deposits
			Interbank call money
	Time deposits		

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial instruments (continued)**

**F. Classes of financial instruments (continued)**

Before January 1, 2020 (continued)

The Group classifies the financial instruments into classes that reflect the nature of information and take into account the characteristic of those financial instruments. The classification of financial instrument can be seen in the table below (continued):

Category	Class	Sub-classes	
Financial liabilities	At amortized cost financial liabilities	Securities sold under agreements to repurchase	
		Acceptance payables	
		Debt securities issued	
		Accrued expenses	
		Fund borrowings	
		Other liabilities	Payable to customers
			Guarantee deposits
			Payable from purchase of marketable securities
			Liabilities related to ATM and credit card transaction
	Customers transaction		
		Other liabilities for UPAS transaction	
		Subordinated loans and marketable securities	
	Hedge derivatives	Cash flow hedging	Derivative payables - cash flow hedge related
Off-balance sheet accounts	Committed unused loan facilities		
	Outstanding irrevocable letters of credit		
	Bank guarantees issued		
	Standby letters of credit		

**G. Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and an intention to settle on a net basis or realised the asset and settle the liability simultaneously. This means that the right to offset:

- a. Must not be contingent on a future event, and
- b. Must be legally enforceable in all of the following circumstances:
  - i. The normal course of business
  - ii. The event of default
  - iii. The event of insolvency or bankruptcy

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial instruments (continued)**

**H. Allowance for impairment losses of financial assets**

The implementation of SFAS 71 "Financial Instruments" has changed the method of calculating impairment losses from the incurred loss approach in SFAS 55 "Financial Instruments: Recognition and Measurement" with the expected credit loss approach.

**1. Scope of Impairment**

- a) Financial Assets in other than those measured at fair value through profit or loss
  - 1) Impairment of financial assets at amortized cost is recognized as a deduction from the asset's carrying amount in the statement of financial position, and recognized in the income statement as "Allowance for Impairment Losses".
  - 2) Impairment of financial assets (excluding equity instruments) measured at fair value through other comprehensive income is recognized as an addition to other comprehensive income in the statement of financial position (not reducing the carrying amount of financial assets in the financial statements) as "Unrealized Gain or Loss ", and recognized in the income statement as "Allowance for Impairment Losses ".
- b) Loan Commitments or Committed unused loan facilities
  - 1) Impairment of loan commitments is recognized as provision for the Bank's liability component which is recorded separately from the related loan assets as "Provision for Expected Credit Losses on Loan Commitments", unless the Bank cannot identify it separately.
  - 2) In that case, the impairment of loan commitments and loan assets is recognized together as a deduction from the carrying amount of the assets in the statement of financial position.
- c) Financial Guarantee Contract

Impairment of financial guarantee contracts is recognized as a provision under the Bank's liability component as "Provision for Expected Credit Losses on Financial Guarantee Contracts".

**2. Periodic evaluation on impairment of financial assets**

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

The criteria that the Group uses to determine that there is objective evidence of impairment loss include:

- a) Significant financial difficulty of the issuer or obligor;
- b) A breach of contract, such as a default or delinquency in interest or principal payments;
- c) The lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- d) There is a probability that the borrower will enter bankruptcy or other financial reorganisation;
- e) The disappearance of an active market for that financial asset because of financial difficulties; or
- f) Observable data indicates that there is a measurable decrease in the estimation.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial instruments (continued)**

**H. Allowance for impairment losses of financial assets (continued)**

**2. Periodic evaluation on impairment of financial assets (continued)**

The Group uses additional criteria to determine the quality of financial instrument assets in accordance with the Financial Services Authority Regulation (POJK) No. 40/POJK.03/2019 concerning Asset Quality Assessment for Commercial Banks.

Furthermore, the Group classifies financial assets based on the evaluation results, which reflect the level of credit risk of the financial assets.

a) Stage 1

At the evaluation date of impairment, credit risk on financial instruments does not increase significantly since initial recognition, which can be proven by the occurrence of all of the following, namely:

- 1) there are no arrears for more than 30 days;
- 2) the financial instrument has a collectability rating of 1 or 2; and
- 3) not restructured (based on restructuring flag information in the system)

For this reason, the Group will measure the allowance for impairment losses for the financial instrument at the amount of an expected 12 months credit loss.

b) Stage 2

At the evaluation date, credit risk on financial instruments has increased significantly since initial recognition which can be proven by the occurrence of one of the following:

- 1) there are arrears between 31 days to 90 days;
- 2) the financial instrument has a collectability rating of 2; or
- 3) There was a restructuring of financial assets that did not result in the recognition of assets originating from impaired financial assets, which before restructuring the assets were at Stage 1 or 2.

At this stage, the Group will measure the allowance for impairment losses for the financial instrument at the amount of the expected credit losses over its lifetime.

c) Stage 3 (Default)

At the evaluation date, there is objective evidence that the financial asset is impaired which can be proven by the occurrence of one of the following 3 (three) things, namely:

- 1) there are arrears of more than 90 days;
- 2) the financial instrument has a collectability rating of 3, 4, or 5; or
- 3) there was a restructuring of financial assets that did not result in the recognition of assets originating from impaired financial assets, where prior to restructuring the assets were at stage 3.

The Group will measure the allowance for losses for financial instruments at this stage at the amount of the expected credit losses over their lifetime.



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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial instruments (continued)**

**H. Allowance for impairment losses of financial assets (continued)**

**2. Periodic evaluation on impairment of financial assets (continued)**

d) Purchased or Originated Credit-Impaired Financial Asset (POCI)

1) The criteria for assets purchased as an impaired financial assets

A purchased financial asset is classified as an impaired financial asset if it meets the following criteria:

- a. loss active market of for financial assets; or
- b. purchase of financial assets at a very large discount or significant below par.

2) Criteria for assets originating from impaired financial assets

- a. Financial assets that are modified/renegotiated resulting in derecognition of financial assets are classified as assets from impaired financial assets if they meet the following criteria:
  1. waive on interest arrears including Scheduled Interest Arrears and Deferred Interest of 100% (one hundred percent); or
  2. loans are converted into temporary equity participation.
- b. At the reporting date, the Group recognizes only the cumulative changes in the lifetime expected credit losses from the initial recognition of the financial asset as an allowance for losses on financial assets purchased or resulting from impairment financial assets.
- c. At each reporting date, the Group recognizes in profit or loss the amount of changes in lifetime expected credit losses as an impairment gain or loss.
- d. If the financial assets prove based on facts or relevant information that the financial assets are improving, the Group will recognize in the income statement as a deduction for "Allowance for Impairment Losses".
- e. If the condition of the financial asset proves to be impaired, the Group will recognize it in the income statement as an addition to "Allowance for Impairment Losses".

The Group uses criteria to determine the category of financial assets that have impaired based on the grouping of the risk levels of financial assets above. Financial assets in stage 3 group and POCI are financial assets that have impaired.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial instruments (continued)**

**H. Allowance for impairment losses of financial assets (continued)**

**3. Impairment Method**

The Group evaluates for impairment using the following methods:

a) Individual Method

1) Individual Criteria

The Group evaluates impairment individually when the Group has reasonable and supportable information to measure the lifetime expected credit losses on an individual instrument and the financial assets have the following criteria:

- a. financial assets per debtor with a cumulative outstanding amount of more than Rp25,000 (twenty five billion rupiah);
- b. credit for the Corporate, Institutional, Financial Institutions, Commercial, and SME Banking segments; and
- c. financial assets fall into the Stage 2 category as a result of a restructuring, Stage 3, or POCI.

The Group may also designate financial assets to be evaluated individually even though the said financial assets do not yet meet criteria for individual evaluation.

- 2) If a financial asset has objective evidence of impairment of a financial asset that is evaluated individually but there is no impairment loss, the financial asset is still classified as a financial asset that will be assessed for impairment individually. However, the Group establishes allowance for impairment losses on these financial assets based on the probability of default resulting from a collective evaluation of credit impairment.

3) Impairment Evaluation

Individual impairment evaluation is based on the concept of an estimated weighted probability of loss of financial assets. This concept uses the weighting of each of the 3 (three) scenarios, namely the optimistic scenario, the normal scenario, and the pessimistic scenario.

1. Optimistic

A scenario with the assumption that there is an increase or expansion in the economy which results in the strengthening of variable values such as increased economic growth or exchange rate appreciation.

2. Normal

The scenario that has the greatest chance of occurring compared to the other 2 (two) scenarios. The variable value in the baseline scenario is the projection result assuming economic movements without any extraordinary events, shocks or economic turmoil.

3. Pessimistic

Scenarios with the assumption that there is a weakening or contraction in the economy that results in weakening of variable values such as a decrease in economic growth or depreciation of the exchange rate.

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial instruments (continued)**

**H. Allowance for impairment losses of financial assets (continued)**

**3. Impairment Method (continued)**

The Group evaluates for impairment using the following methods (continued):

a) Individual Method (continued)

3) Impairment Evaluation (continued)

Each scenario provides a discounted present value of cash flows, where the cash flows are based on all available information with experienced credit judgment and reflect all information that takes into account various factors such as:

1. Financial strength and the debtor's ability to repayment capacity.
2. Type and amount of collateral.
3. Availability of warranty.
4. Customers' future business prospects.
5. Probability of collateral sale.
6. Historical losses.
7. Relevant macroeconomic factors.

The difference between the weighted probability and the total outstanding financial assets reflects the amount of the individual impairment loss.

The individual impairment evaluation method is based on 2 (two) concepts, namely the estimated amount of loss on financial assets and the estimated amount that can be recovered. The method used is discounted cash flow or the fair value of collateral method. The Bank uses the fair value of collateral method as future cash flows if it meets one of the following conditions:

1. Credit is collateral dependent, that is, if credit repayment originates only from collateral;
2. It is difficult to reliably determine the amount and timing of the estimated cash flow from loan principal and / or interest; and / or
3. Foreclosure of collateral is likely to occur and is supported by legal binding aspects of collateral.

b) Collective Method

1) Collective Criteria

The Bank assesses impairment collectively when the financial assets share the same risk characteristics of the financial assets which allows a significant increase in credit risk to be identified in a timely manner. The criteria for financial assets that are evaluated collectively are as follows:

- a. financial assets per debtor are non-performing financial assets or have days past due > 90 days and have a cumulative value of ≤ Rp25,000 (twenty five billion rupiah) for the Corporate, Institutional, Financial Institutions, Commercial, and SME Banking segments;

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial instruments (continued)**

**H. Allowance for impairment losses of financial assets (continued)**

**3. Impairment Method (continued)**

The Group evaluates for impairment using the following methods (continued):

b) Collective Method (continued)

1) Collective Criteria (continued)

The Bank assesses impairment collectively when the financial assets share the risk characteristics of the financial assets with the aim of facilitating analysis designed to allow a significant increase in credit risk to be identified in a timely manner. The criteria for financial assets that are evaluated collectively are as follows (continued):

- b. performing financial assets or having days past due  $\leq$  90 days and were not restructured for the Corporate, Institutional, Financial Institutions, Commercial, and SME Banking segments; and
- c. all loans in the Micro Banking and Consumer segments.

In general, all loan portfolios for which impairment evaluation is not calculated using the individual method will be evaluated using the collective method.

2) Impairment Evaluation

The evaluation of collective impairment is based on the concepts of Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD) which take into account past, current, and future information.

a. Probability of Default

The Bank uses the Basel, Vasicek, Roll Rate Transition Matrix, and other approaches in determining the PD value of each debtor.

The Basel method is carried out by determining the relationship between a debtor's PD with the internal characteristics of that debtor. The Basel model that has been obtained is used as the basis for determining the PD value of each debtor.

The Vasicek method is a method of determining PD using the asset correlation formula that has been determined by the Basel Committee.

The Roll Rate Transition Matrix method uses the historical transition bucket PD. PD buckets used in historical calculations are as follows:

- 1. Bucket 1: Current
- 2. Bucket 2: 1-30 days past due (DPD)
- 3. Bucket 3: 31-60 dpd
- 4. Bucket 4: 61-90 dpd
- 5. Bucket 5: >90 dpd

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial instruments (continued)**

**H. Allowance for impairment losses of financial assets (continued)**

**3. Impairment Method (continued)**

b) Collective Method (continued)

2) Impairment Evaluation (continued)

a. Probability of Default (continued)

PD Forward-Looking Macro Adjustment is a method used to determine the forward looking PD value of both Basel and Roll rate approaches based on the historical relationship between the macro economy and the PD value of the Bank.

b. Loss Given Default

The Bank uses Basel and Historical methods in determining the LGD value of each debtor. LGD describes the nominal percentage of the facility that the Bank will not be able to recover against the default debtor. Regular LGD is calculated at 1-Recovery Rate. The recovery rate is calculated by considering the Time Value of Money from the recovery of the default obligation. The interest rate used to calculate the Time Value of Money from Recovery is the Effective Interest Rate (EIR).

The Basel method is carried out by determining the relationship between a debtor's LGD and the internal characteristics of the debtor concerned. The Basel model that has been obtained is used as the basis for determining the LGD value of each debtor.

Historical method is done by calculating the average value of LGD in the long term observation period in the respective segment.

Forward-Looking Macro Adjustment in LGD is a method used to determine the forward looking LGD value based on the historical relationship between macroeconomics and the Bank's LGD value. If there is no relationship between macroeconomics and the Bank's LGD value, the Bank may not use Forward-Looking in determining the LGD value.

c. Exposure at Default

In determining the EAD value of each debtor, the Bank uses the Basel method, Prepayment Rate, and Expected Lifetime. EAD describes the exposure that will be borne by the Bank if there is a debtor who defaults.

The Basel method in calculating EAD is carried out by determining the relationship between a debtor's EAD and the internal characteristics of the respective debtor.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial instruments (continued)**

**H. Allowance for impairment losses of financial assets (continued)**

**3. Impairment Method (continued)**

b) Collective Method (continued)

2) Impairment Evaluation (continued)

c. Exposure at Default (continued)

The Prepayment Rate method is a method that studies the behavior of the debtor's payment rate that is bigger than the scheduled facility payment amount.

The Expected Lifetime method is a method that studies the behavior of the debtor's level of settlement (paid off or write off) compared to the facility settlement schedule.

d. Expected Credit Loss

In general, the formula for calculating collective ECL is the multiplication of Probability of Default, Loss Given Default, and Exposure at Default.

In calculating the amount of Collective Impairment, the Bank uses the loan carrying value which the impairment value is assessed collectively.

Calculation of Impairment is done for each stage according to the characteristics of the staging. The calculation method for each stage is as follows:

1. Stage 1: 12-months ECL
2. Stage 2: Lifetime ECL
3. Stage 3: Lifetime ECL

12-Months ECL is the calculation of the expected loss for the next 1 year.

ECL-Lifetime is the calculation of the expected loss which is calculated for the remaining tenor of the facility.

Every year in calculating the ECL uses the discount factor based on formula that the Group has formulated.

The probability weighted in the calculation of Impairment has been determined by the Group which includes the percentage of optimistic, normal, and pessimistic scenarios.

The total weighted of the estimated cash flow is a deduction from the carrying amount of the credit, where the difference will be the allowance for impairment.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial instruments (continued)**

**H. Allowance for impairment losses of financial assets (continued)**

**4. Interest income before and after impairment**

Prior to impairment (Stage 1 & 2), interest income is calculated using the effective interest method, namely by applying an effective interest rate to the gross carrying amount of financial assets except for financial assets purchased or from impaired financial assets.

Interest income on impaired financial assets (Stage 3 or POCI) calculated by applying an effective interest rate on the net carrying amount of financial assets, namely the outstanding amount after deducting losses due to impairment for:

- a) Financial Assets Purchased or Originated Credit-Impaired Financial Assets (POCI)  
For these financial assets, the Group applies a risk-adjusted effective interest rate on the amortized cost of the financial assets since initial recognition.
- b) Stage 3  
For these financial assets, the Group applies an effective interest rate on the amortized cost of financial assets in the reporting period, which is the amount that has been reduced by any impairment losses.

Interest income is subsequently recognized based on of the interest rate used to discount future cash flows in measuring impairment losses or what is known as unwinding interest.

Impairment losses on earning assets of Subsidiary based on sharia

Allowance for impairment losses on *murabahah* receivable is calculated based on collective method according to SFAS 102 "Accounting for Murabahah" and ISA 102 "Impairment Loss for Murabahah Receivables"

Before January 1, 2020

(a) Financial assets carried at amortised cost

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of impairment loss include:

1. Significant financial difficulty of the issuer or obligor;
2. A breach of contract, such as a default or delinquency in interest or principal payments;
3. The lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
4. There is a probability that the borrower will enter bankruptcy or other financial reorganisation;
5. The disappearance of an active market for that financial asset because of financial difficulties; or
6. Observable data indicates that there is a measurable decrease in the estimation.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial instruments (continued)**

**H. Allowance for impairment losses of financial assets (continued)**

Before January 1, 2020 (continued)

(a) Financial assets carried at amortised cost (continued)

Specifically for loans, the Group has determined specific objective evidence of an impairment loss for loans including:

1. Loans classified as Substandard, Doubtful and Loss (non-performing loans) in accordance with POJK No. 40/POJK.03/2019 dated December 19, 2019 regarding Quality Assessment of Commercial Banks.
2. All restructured loans.

The Group initially assesses whether objective evidence of impairment for financial asset exists as described above. The individual assessment is performed for the individually significant impaired financial asset, using discounted cash flows method.

If the Group assesses that there is no objective evidence of impairment for financial asset assessed individually, both for significant and insignificant amount, the financial asset will be included in a group of financial asset with similar credit risk characteristics and collectively assessed them for impairment. Financial assets that are individually assessed but not impaired are still classified as financial assets that are assessed individually. However, the Group provides allowance for impairment losses based on probability of default generated for each segment by evaluating impairment of loans collectively.

In evaluating impairment for loans, the Bank determines loan portfolio into these three categories:

1. Loans which individually have significant value and which impairment occurred will have material impact to the consolidated financial statements, i.e. loans with Gross Annual Sales (GAS) Corporate and Commercial, as well as loans with GAS outside Corporate and Commercial with outstanding balance of more than Rp5,000;
2. Loans which individually have no significant value, i.e. loans with GAS SME, Micro and Consumer with outstanding balance of less than or equal to Rp5,000; and
3. Restructured loans.

The Bank determines loans to be evaluated for impairment through individual assessment if one of the following conditions is met:

1. Loans which individually has a significant value and objective evidence of impairment; or
2. Restructured loans which individually has significant value.

The Bank determines loans to be evaluated for impairment through collective assessment if one of the following conditions is met:

1. Loans which individually has significant value and there are no objectives evidence of impairment; or
2. Loans which individually has insignificant value; or
3. Restructured loans which individually has insignificant value.



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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial instruments (continued)**

**H. Allowance for impairment losses of financial assets (continued)**

(a) Financial assets carried at amortised cost (continued)

Individual impairment calculation

The amount of the impairment is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows (excluding future impairment losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the allowance for impairment losses account and the amount of the loss is recognised in the consolidated statement of profit or loss and other comprehensive income. If a loan or held-to-maturity financial assets has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

The Bank uses a fair value of collateral method as a basis for future cash flow if, one of the following conditions is met:

1. Loans are collateral dependent, i.e. if source of loans repayment comes only from the collateral; or
2. Foreclosure of collateral is most likely to occur and supported with legal binding aspect.

Collective impairment calculation

For the purpose of a collective assessment of impairment, financial assets are grouped on the basis of similar credit risk characteristics such as by considering credit segmentation and past-due status. Those characteristics are relevant to the estimation of future cash flows for groups of such assets which indicate debtors or counterparties' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively assessed for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the Bank. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that do not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

The Group uses statistical model analysis methods, consist of roll rates analysis method and migration analysis method for financial assets impairment which are collectively assessed using minimum of 3 (three) years historical data.

In migration analysis method, management determines 12 months as the estimated and identification period between a loss occurring for each identified portfolio, except for Micro banking segment in which the loss identification period used is 9 months.

When a loan is uncollectible, it is written off against the related allowance for loan impairment losses. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Impairment charges relating to loans and marketable securities (in held-to-maturity and loans and receivables categories) are classified into "allowance for impairment losses".

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial instruments (continued)**

**H. Allowance for impairment losses of financial assets (continued)**

(a) Financial assets carried at amortised cost (continued)

Collective impairment calculation (continued)

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the impairment reversal is recognised in the consolidated statement of profit or loss and other comprehensive income.

Subsequent recoveries of loans written off in prior year, are recognised as other operating income.

Allowance for possible losses on earning assets of Subsidiary based on sharia

1. Earning assets consist of current account and placements with Bank Indonesia in the form of Bank Indonesia Sharia Certificate (*Sertifikat Bank Indonesia Syariah* (SBIS)), Bank Indonesia Sharia Deposit Facility (*Fasilitas Bank Indonesia Syariah* (FASBIS)), Reverse Repo Receivables State Sharia Certificates (*Surat Berharga Syariah Negara* (SBSN)) BI, Term Deposit Foreign Currency Sharia BI, current accounts with other sharia banks, placement with other sharia banks, investment in marketable securities, *istishna* receivables, *ijarah* receivables, funds of *qardh*, *musyarakah* financing, *mudharabah* financing, *ijarah* assets, and commitments and contingencies with credit risk, such as bank guarantees, irrevocable letters of credit (LC) and standby letters of credit.

Allowance for impairment losses of earning assets and non-earning assets for commercial bank conducting business based on sharia principles is based on Financial Services Authority Regulation ("POJK") No. 19/POJK.03/2018 dated September 20, 2018 on "Asset Quality Assessment for Sharia Commercial Banks and Business Units", and POJK No. 12/POJK.03/2015 dated August 21, 2015 on "Prudential Principle Provisions for Sharia Banks and Sharia Business Units to Stimulate the National Economy".

The guidelines for the establishment of allowance for impairment losses on earning assets based on the aforementioned FSA's Regulation are as follows:

- a) General reserve, shall be no less than 1% of total earning assets classified as current, excluding Bank Indonesia Sharia Certificates and debt securities issued by the Government based on sharia principles, and part of earning assets guaranteed by government and cash collateral in the form of demand deposits, saving deposits, time deposits, guarantee deposits, and/or gold which are pledged and accompanied with the power of attorney to liquidate.
- b) Special reserve shall be at least:
  - 5% of earning assets classified as Special Mention after deducting collateral value;
  - 15% of earning assets classified as Substandard after deducting collateral value;
  - 50% of earning assets classified as Doubtful after deducting collateral value;
  - 100% of earning assets classified as Loss after deducting collateral value.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial instruments (continued)**

**H. Allowance for impairment losses of financial assets (continued)**

(a) Financial assets carried at amortised cost (continued)

Allowance for possible losses on earning assets of Subsidiary based on sharia (continued)

The guidelines for the establishment of allowance for impairment losses on earning assets based on the aforementioned FSA's Regulation are as follows (continued):

- c) The requirement to establish allowance for impairment losses shall not be applicable for earning assets under leasing transactions in the form of *ijarah* or *ijarah muntahiyah bittamlik*. The Subsidiary is required to depreciate/amortize the assets of *ijarah muntahiyah bittamlik*.

For marketable securities and placements to the bank, the quality rating is classified into 3 (three) classifications: current, substandard, and loss. Quality rating of equity investment is determined into 4 (four) categories: current, substandard, doubtful and loss.

2. For *murabahah*, the Subsidiary evaluates whether there is an objective evidence that the financial assets or group of financial assets are impaired. The financial assets or group of financial assets are impaired and the impairment loss occurred only if there is an objective evidence regarding the impairment as a result of an event that occurred after initial recognition which impacts the estimated future cash flows that can be reliably estimated.

The allowance for impairment on *murabahah* is calculated using collective according to SFAS No. 55, "Financial Instruments: Recognition and Measurement".

(b) Financial assets classified as available for sale

The Group assesses at each date of the consolidated statement of financial position whether there is objective evidence that a financial asset or a group of financial assets is impaired. Refer to Note 2c.(H).(2) for the criteria of objective evidence of impairment.

In the case of debt instruments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is objective evidence of impairment resulting in the recognition of an impairment loss. If any such evidence exists for available for sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in consolidated statement of profit or loss and other comprehensive income is removed from equity and recognised in the consolidated statement of profit or loss and other comprehensive income.

If, in a subsequent period, the fair value of a financial asset classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in consolidated statement of profit or loss and other comprehensive income, the impairment loss is reversed through the consolidated statement of profit or loss and other comprehensive income.

(c) Financial guarantee contracts and commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss incurred because a specified debtor defaulted to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other institutions on behalf of customers to secure loans and other banking facilities.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial instruments (continued)**

**H. Allowance for impairment losses of financial assets (continued)**

(c) Financial guarantee contracts and commitments (continued)

Financial guarantees are initially recognised in the consolidated financial statements at fair value on the date the guarantee was given. The fair value of a financial guarantee at inception is likely to equal the premium received because all guarantees are agreed on arm's length terms. Subsequent to initial recognition, the bank's liabilities under such guarantees are measured at the higher amount between the initial amount, less amortisation of fees recognised, and the best estimate of the amount required to settle the guarantee. These estimates are determined based on experience of similar transactions and history of past losses, supplemented by the judgement of management. The fee income earned is amortised over the period of guarantees using the straight-line method.

The Bank determines impairment losses on financial guarantee contracts that have credit risk based on the value that is higher between the amortised value (carrying value) and the present value of the liabilities that are expected to occur (when payment under the guarantee has become probable) or impairment losses are calculated based on historical loss data for a collective evaluation of impairment.

**I. Investment in sukuk**

Before the initial recognition, the Group determines the classification of investment in sukuk based on the Group's investment objective. Investment in sukuk can be measured as follows:

- Acquisition cost  
If the investment is held within a business model that aims to collect contractual cash flows and there is a contractual requirement to determine the specific date of principal payments and/or the result. The acquisition cost for sukuk *ijarah* and sukuk *mudharabah* is included in the transaction cost. The difference between acquisition cost and nominal value is amortised using straight-line method during the period of the sukuk instrument.
- Measured at fair value through other comprehensive income  
If the investment is held within a business model which its primary purpose is to obtain contractual cash flows and sell off sukuk and the contractual requirements determined by specific date of payment of principal and/or results. The acquisition cost of sukuk *ijarah* and sukuk *mudharabah* is included as transaction costs. The difference between the acquisition cost and nominal value is amortised on straight-line basis over the terms of sukuk. The changes in fair value are recognised in other comprehensive income. At the time of derecognition, the changes in fair value in other comprehensive income are reclassified to profit or loss as a reclassification adjustment.
- Measured at fair value through profit or loss  
The acquisition cost of sukuk *ijarah* and sukuk *mudharabah* is measured at fair value through profit or loss excluding transaction costs. For investments in sukuk which are measured at fair value through profit or loss, the difference between the fair value and the carrying amount is recognised in profit or loss.

**J. Sukuk *mudharabah* issued**

Sukuk *mudharabah* issued is recognised at nominal. Transaction costs are recognised as deferred expense and presented as "Other asset" and amortised using straight-line following the period of sukuk *mudharabah*.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial instruments (continued)**

**K. Determination of fair value**

Fair value is a market based measurement. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction among market participants at the measurement date.

When there is no active market or the price of an identical financial instrument cannot be observed, the Group can measure fair value using valuation techniques according to the type of financial instrument.

The group can measure fair value, with the following hierarchy:

1. Input level 1, the quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
2. Input level 2, the input other than quoted price included in level 1 that can be observed for assets or liabilities, either directly or indirectly.
3. Input level 3, the unobservable input for an asset or liability.

A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability should be measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of financial instruments traded in active markets, such as marketable securities and government bonds, is determined based on quoted market prices at the statement of financial position date from credible sources such as quoted market prices from Bloomberg, Reuters or broker's quoted price. Investments in mutual fund units are stated at market value, in accordance with the net value of assets of the mutual funds at the consolidated statement of financial position date.

A financial instrument is regarded as quoted in an active market, if quoted prices are readily and regularly available from an exchange, dealer, broker and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For marketable securities with no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument which substantially has the same characteristic or calculated based on the expected cash flows of the underlying net asset base of the marketable securities.

For government bond with no quoted market prices, a reasonable estimate of the fair value is determined using the internal model based on the present value of expected future cash flows using next-repricing method with deflator factor.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**d. Principles of consolidation**

The consolidated financial statements include the financial statement of Bank Mandiri and its Subsidiaries in which the majority shares are owned or controlled by Bank Mandiri.

Control is presumed to exist where the Bank is exposed, or has rights, to variable returns from its involvement with the Subsidiaries and has ability to use its power to affect its returns from its involvement with the Subsidiaries.

The Bank controls the Subsidiaries if and only if the Bank acquires these rights:

- a) Power over the Subsidiaries (has existing rights that give it the current ability to direct the relevant activities, that significantly affect the Subsidiaries' returns);
- b) Exposure, or rights, to variable returns from its involvement with the Subsidiaries;
- c) The ability to use its power over the Subsidiaries to affect the amount of the Bank's returns

In the consolidated financial statement of Bank Mandiri, all significant inter-company balances and transactions have been eliminated. Non-controlling interest of Bank in net income of Subsidiaries is presented as a deduction of consolidated net income in order to present the Bank's income. Non-controlling interest in net assets is presented as part of equity in the consolidated statement of financial position, except for non-controlling interest from mutual fund consolidation is presented as part of liabilities in the consolidated statement of financial position.

The consolidated financial statements are prepared using a consistent accounting policy for transactions and events in similar circumstances. The accounting policies adopted in preparing the consolidated financial statements have been consistently applied by the Subsidiaries, unless otherwise stated.

If the control on an entity is obtained or ends in the current year, the entity's net income is included in the consolidated statement of income from the date of acquisition of the control or until the date the control ceased.

Business combination transaction amongst entities under common control, in form of transfer of business conducted for the purpose of reorganisation of entities under common control, does not represent a change of ownership in terms of economic substance, therefore, there shall be no gain or loss recognised by the group as a whole and by individual entities within the group.

Since the business combination transaction amongst entities under common control does not cause any change in economic substance of ownership of the transferred business, therefore the transaction is recognised at book value using the pooling interest method.

Changes in the Bank's ownership interest in Subsidiaries that do not result in a loss of control are accounted for as an equity transaction, in this case a transaction with owners in their capacity as owners. Any difference between the amount by when the non-controlling interest are adjusted and the fair value of the consideration paid or received shall be recognised directly in equity and attributable to the owners of the parent.

The entity that accepts/releases a business in a combination/separation of business amongst entities under common control, shall recognise the difference between benefits being transferred or received and the recorded amount of every business combination transaction as equity and present it under additional paid-in capital/share premium.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**e. Foreign currency transactions and balances**

Subsidiaries and overseas branches

Bank Mandiri maintains its accounting records in Indonesian Rupiah. For consolidation purposes, the financial statement of the overseas branches and overseas Subsidiaries of Bank Mandiri denominated in foreign currencies are translated into Rupiah based on the following bases:

- (1) Assets and liabilities, commitments and contingencies - using the Reuters spot rates at the consolidated statement of financial position date.
- (2) Revenues, expenses, income and losses - using the average middle rates during each month when the transaction occurs.
- (3) Shareholders' equity accounts - using historical rates on the date of transaction.
- (4) Statement of cash flows - using the Reuters spot rates at the reporting date, except for income and loss statement balances which are translated using the average middle rates and shareholders' equity balances which are translated using historical rates.

The differences arising from the translation adjustment are presented as "Differences arising from translation of foreign currency financial statements" under the Shareholders' Equity section of the consolidated statement of financial position.

Transactions and balances in foreign currencies

Transactions in currencies other than Rupiah are recorded into Rupiah by using rates on the date of the transactions. At consolidated statement of financial position date, all foreign currencies monetary assets and liabilities are translated into Rupiah using the Reuters spot rates at 4.00 p.m. WIB (Western Indonesian Time) on December 31, 2020 and 2019. The resulting gains or losses are credited or charged to the current year's consolidated statement of profit or loss and other comprehensive income.

The exchange rates used against the Rupiah at the dates of the consolidated statement of financial position are as follows (amounts in full Rupiah):

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Great Britain Poundsterling 1/Rp	19,012.46	18,238.14
European Euro 1/Rp	17,234.43	15,570.61
United Stated Dollar 1/Rp	14,050.00	13,882.50
Japanese Yen 100/Rp	13,597.00	12,781.00
Australian Dollar 1/Rp	10,752.47	9,725.39
Hong Kong Dollar 1/Rp	1,812.30	1,782.75
Chinese Yuan 1/Rp	2,150.26	1,994.18
Singapore Dollar 1/Rp	10,606.18	10,315.05

Other foreign currencies are not disclosed as above since it is considered not material in the translation of transaction in foreign currencies of the Bank and Subsidiaries.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**f. Transactions with related parties**

The Bank and Subsidiaries enter into transactions with parties which are defined as related parties in accordance with SFAS No. 7 regarding "Related Party Disclosures" and Regulation of Bapepam and LK No. KEP-347/BL/2012, dated June 25, 2012 regarding "Financial Statements Presentation and Disclosure of Issuers or Public Companies".

A related party is a person or entity that is related to the entity that prepares its financial statements (reporting entity). The related parties are as follows:

- 1) A person who:
  - a) has control or joint control over the reporting entity;
  - b) has significant influence over the reporting entity; or
  - c) the key management personnel of the reporting entity or the parent of the reporting entity.
  
- 2) An entity is related to a reporting entity if any of the following:
  - a) The entity and the reporting entity are members of the same group;
  - b) An entity is an associate or joint venture of the entity;
  - c) Both entities are joint ventures from the same third party;
  - d) An entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - e) The entity is a post-employment benefit plan for the benefits of employee either from the reporting entity or an entity related to the reporting entity;
  - f) The entity is controlled or jointly controlled by a person identified as referred to in point 1); or
  - g) A person identified as referred to point 1) letter a) has significant influence over the entity or the entity's key management personnel;
  - h) The entity is controlled, jointly controlled or significantly influenced by the Government, namely the Minister of Finance or the local governments which are the shareholders of the entity.
  
- 3) Parties which are not related parties are as follows:
  - a) Two entities simply because they have the same director or key management personnel or because the key management personnel of one entity have significant influence over the other entity;
  - b) Two joint venturers simply because they share joint control of a joint venture;
  - c) Fund provider, trade unions, public service, and ministry and agencies of government that does not control, jointly control or significantly influence the reporting entity, solely in the execution of normal dealings with the entity;
  - d) Customers, suppliers, franchisor, distributor or general agent with whom an entity enter into transaction with significant volumes of business solely because economic dependence due to circumstances.

All significant transactions with related parties have been disclosed in Note 57.

**g. Cash and cash equivalents**

Cash (mainly consists of cash in custody and cash in ATMs) and cash equivalents consist of cash, current accounts with Bank Indonesia, current accounts with other banks and other short term liquid investments with original maturities of 3 (three) months or less since the date of acquisition.



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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### h. Current accounts with Bank Indonesia and other banks

Current accounts with Bank Indonesia and other banks are classified as amortized cost. Refer to Note 2c for the accounting policy of amortized cost.

Before January 1, 2020, current accounts with Bank Indonesia and other banks were classified as loans and receivables. Refer to Note 2c for the accounting policy for loans and receivables.

#### The Minimum Statutory Reserve

Based on Bank Indonesia Regulation (PBI) No. 20/3/PBI/2018 dated March 29, 2018 and PBI No. 22/3/PBI/2020 dated March 24, 2020 concerning Amendments to Bank Indonesia Regulations No. 20/3/PBI/2018 concerning Statutory Reserves in Rupiah and Foreign Currency For Conventional Commercial Banks, Sharia Commercial Banks, and Sharia Business Units, Banks are required to meet the Statutory Reserves (GWM) at Bank Indonesia in Rupiah and Foreign Exchange.

The PBI is explained by the Regulation of Members of the Board of Governors (PADG) No. 20/10/PADG/2018 dated May 31, 2018 concerning Minimum Statutory Reserves in Rupiah and Foreign Currency for Conventional Commercial Banks, Sharia Commercial Banks and Sharia Business Units as amended by five times through PADG No. 20/30/PADG/2018 dated November 30, 2018, PADG No. 21/14/PADG/2019 dated June 26, 2019, PADG No. 21/27/PADG/2019 dated December 26, 2019, PADG No. 22/2/PADG/2020 dated March 10, 2020, and PADG No. 22/10/PADG/2020 dated April 29, 2020 which states that the GWM in rupiahs of Conventional Commercial Banks (CCB) is set at 3.5% (three point five percent) of CCB Third Party Funds (TPF) in rupiah during a certain reporting period which must be fulfilled daily in the amount of 0.5% (zero point five percent) and on average 3% (three percent). Statutory Reserves in rupiah for Subsidiaries that carry out business activities with sharia principles must be met at 3.5% (three point five percent) of the Subsidiary's TPF in rupiah during a certain reporting period, which must be fulfilled on a daily basis of 0.5% (zero point five percent) and on average 3% (three percent). Meanwhile, GWM in Foreign Currency is set at 4% (four percent) of TPF CCB in foreign currencies during a certain reporting period, which must be fulfilled daily at 2% (two percent) and on average 2% (two percent). Statutory Reserves in foreign currencies for Subsidiaries conducting business with sharia principles is set at 1% (one percent) of Subsidiary's TPF in foreign currencies which must be fulfilled on a daily basis.

Thorough Bank Indonesia Regulation (PBI) Bumber 22/119/PBI/2020 year 2020 concerning the amendment of Bank Indonesia Regulation Number No. 22/4/PBI/2020 concerning Incentives for Banks Providing Provision of Funds for Certain Economic Activities to Support Handling the Economic Impacts Due to the Corona Virus Outbreak as described in PADG No. 22/4/PADG/2020 dated April 15, 2020, as amended by PADG No. 22/35/PBI/2020 dated December 23, 2020 Bank Indonesia provided incentives in the form of leniency on the mandatory reserve requirement in rupiah, which must be fulfilled on a daily basis of 0.5% (zero point five percent). This incentive is given to Banks that provide funds for export activities, import activities, MSME activities, and / or economic activities in other priority sectors stipulated by Bank Indonesia and take effect from April 16, 2020 until June 30, 2021. Thus, if the Bank carries out activities related to export, import, MSMEs, and / or economic activities in other priority sectors determined by Bank Indonesia, the statutory reserve requirement in rupiah for CCB is 3% (three percent) of TPF CCB in rupiah, provided that the daily GWM fulfillment is 0% (zero percent) and the average GWM is 3% (three percent). The statutory reserve requirement in rupiah for a Subsidiary conducting business with sharia principles is 3% (three percent) of the Subsidiary's TPF in rupiah, provided that the daily GWM is 0% (zero percent) and GWM is 3% on average (three percent).

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**h. Current accounts with Bank Indonesia and other banks (continued)**

Macroprudential Liquidity Buffer

Macroprudential Liquidity Ratio, will be mentioned as MLB is a minimum statutory reserve which should be maintain in Rupiah by conventional bank in terms of Securities under certain requirements and the amount will be determined by Bank Indonesia in certain percentage of Conventional Bank Third Party Fund in Rupiah. For Sharia Conventional Banking Macroprudential Liquidity buffer (PLM Sharia) is minimum statutory reserve which should be maintain by sharia commercial banking in terms of sharia securities under certain requirements and the amount will be determined by Bank Indonesia in certain percentage of sharia commercial bank's Third Party Fund in Rupiah.

The requirement of latest MLB is stated on PBI No. 21/12/PBI/2019 dated November 25, 2019 about the changes of PBI No. 20/4/PBI/2018 about *Rasio Intermediasi Makroprudensial dan Penyangga Likuiditas Makroprudensial bagi Bank Umum Konvensional, Bank Umum Syariah dan Unit Usaha Syariah* that being explained on *Anggota Dewan Gubernur Regulations No. 21/22/PADG/2019* dated November 28, 2019 as changed to PADG No. 22/11/PADG/2020 dated April 29, 2020, as amended to PADG No. 22/30/PADG/2020 dated October 5, 2020 where the amount of PLM was changed from the previous 4% (four percent) of TPF CCB in rupiah to 6% (six percent) and the amount of PLM in rupiah for Subsidiaries conducting business activities with the principle sharia law is changed from the previous 4% (four percent) to 4.5% (four point five percent) of the Subsidiary's TPF in rupiah.

Macroprudential Intermediate Ratio

Macroprudential Intermediate Ratio (MIR) replaces Loan to Funding Ratio (LFR). According to PBI No. 20/4/PBI/2018 dated on March 29, 2018, the name of LFR will be replaced by Macroprudential Intermediate Ratio (MIR) in compliance with MIR fund will be applied on July 16, 2018. The regulation was later refined through Bank Indonesia Regulation Number 21/12/PBI/2019 about Amendments to Bank Indonesia Regulation Number 20/4/PBI/2018 about Macroprudential Intermediation Ratio and Macroprudential Liquidity Support for Conventional Commercial Banks, Sharia Commercial Banks and Sharia Business Units so that what is meant by MIR is ratio of comparison of:

- a. Loan to third party fund in Rupiah and Other currencies
- b. Corporate securities in Rupiah and other currencies which meet certain requirement

Over:

- a. TPF bank in terms of current account, saving account, and deposits in rupiah and other currencies excluding interbank fund, and
- b. Issued securities by the bank in rupiah and other currencies which meet certain requirement for funding.
- c. Fund Borrowing in Rupiah and other currencies which met certain requirements that received by BUK for funding.

Demand Deposits for compliance with MIR, hereinafter referred to as MIR Current Account, are the demand deposits balance in the Rupiah Demand Deposit Account at Bank Indonesia which must be maintained by the Bank. In the event that MIR falls within MIR's Target range, MIR's Current Account is set at 0% (zero percent) of TPF in rupiah. Meanwhile, if MIR is outside the range of MIR's Target, MIR's Giro is determined as the result of the multiplication of the Lower Disincentive Parameter or Upper Disincentive Parameter, the difference between MIR and MIR's Target, and TPF in rupiah.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**h. Current accounts with Bank Indonesia and other banks (continued)**

Macroprudential Intermediate Ratio (continued)

The amounts and parameters used in fulfilling MIR Current Account are determined as follows:

- a. The lower limit of MIR's Target of 84% (eighty four percent);
- b. The upper limit of MIR's Target of 94% (ninety four percent);
- c. Minimum Capital Adequacy Requirement (CAR) Incentive of 14% (fourteen percent);
- d. The Lower Disincentive Parameters are defined as follows:
  1. in the amount of 0 (zero), if the Bank has:
    - a) the gross non-performing loan ratio is greater than or equal to 5% (five percent); or
    - b) CAR is less than or equal to Incentive CAR;
  2. amounting to 0.1 (zero point one), if the Bank has:
    - a) the gross non-performing loan ratio is less than 5% (five percent); and
    - b) CAR is greater than Incentive CAR and less than or equal to 19% (nineteen percent); and
  3. amounting to 0.15 (zero point one five), if the Bank has:
    - a) the gross non-performing loan ratio is less than 5% (five percent); and
    - b) CAR is greater than 19% (nineteen percent); and
- e. Top Disincentive Parameters are determined as follows:
  1. equal to 0 (zero), if the Bank has CAR greater than or equal to Incentive CAR; or
  2. amounting to 0.2 (zero point two), if the Bank has CAR smaller than Incentive CAR.

On April 29, 2020, Bank Indonesia issued PADG No. 22/11/PADG/2020 which is an amendment to No. 21/22/PADG/2019 about Macroprudential Intermediation Ratio and Macroprudential Liquidity Buffer for Conventional Commercial Banks, Sharia Commercial Banks, and The Sharia Business Unit which takes effect from May 1, 2020, which states that the Lower Disincentive Parameters and Upper Disincentive Parameters used in calculating the fulfillment of MIR's Demand Deposits and MIR Syariah Giro are changed to be 0 (zero) for a period of 1 (one) year, namely from May 1, 2020 to April 30, 2021.

**i. Placements with Bank Indonesia and other banks**

Placements with Bank Indonesia and other banks represent placements in the form of Bank Indonesia deposit facility, sharia FASBI (*Fasilitas Simpanan Bank Indonesia Syariah* (FASBIS)), interbank call money, sharia interbank call money, time deposits and others.

Placements with Bank Indonesia and other banks are stated at amortised cost using effective interest rate less any allowance for impairment losses.

In accordance with the Regulation of the Financial Services Authority (POJK) No. 40/POJK.03/2019 concerning the Quality Assessment of Commercial Banks, all forms of Placements with Bank Indonesia are determined to have current quality.

Placements with Bank Indonesia and other banks are classified as amortized cost. Refer to Note 2c for the accounting policy for amortized cost.

Prior to January 1, 2020, placements with Bank Indonesia and other banks were classified as loans and receivables. Refer to Note 2c for the accounting policy for loans and receivables.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**j. Marketable securities**

Marketable securities consist of securities traded in the money market such as Certificates of Bank Indonesia (*Sertifikat Bank Indonesia (SBI)*), Sharia Certificates of Bank Indonesia (*Sertifikat Bank Indonesia Syariah (SBIS)*), Negotiable Certificates of Deposits, Medium Term Notes, Treasury Bills issued by government of other country and Government of Republic of Indonesia, export bills, securities traded on the capital market such as mutual fund units and securities traded on the stock exchanges such as shares of stocks and bonds including sharia corporate bonds.

Marketable securities are classified as financial assets at fair value through profit or loss, fair value at other comprehensive income, and at amortised cost. Refer to Note 2c for the accounting policy of financial assets at fair value through profit or loss, fair value through other comprehensive income, and at amortised cost.

Investments in mutual funds units are stated at market value, in accordance with the net value of assets of the mutual funds as at the date of the consolidated statement of financial position.

Marketable securities which are traded in organised financial markets, fair value is generally determined by reference to quoted market prices by the stock exchanges at the close of business on the consolidated statement of financial position date. For marketable securities with no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument which substantially has the same characteristic or calculated based on the expected cash flows of the underlying net asset base of the marketable securities. Any permanent impairment in the fair value of marketable securities classified as amortised cost and fair value through other comprehensive income is charged to current year's consolidated statement of profit or loss and other comprehensive income.

Reclassification of marketable securities from amortised cost to fair value through other comprehensive income classification is recorded at fair value. Unrealised gains or losses are recorded in the equity section and will be amortised up to the maturity date of the marketable securities using the effective interest rate method to consolidated statement of profit or loss and other comprehensive income.

Before January 1, 2020

Marketable securities consist of securities traded in the money market such as Certificates of Bank Indonesia (*Sertifikat Bank Indonesia (SBI)*), Sharia Certificates of Bank Indonesia (*Sertifikat Bank Indonesia Syariah (SBIS)*), Government Treasury Bills (*Surat Perbendaharaan Negara (SPN)*), Negotiable Certificates of Deposits, Medium Term Notes, Treasury Bills issued by government of other country and Government of Republic of Indonesia, export bills, securities traded on the capital market such as mutual fund units and securities traded on the stock exchanges such as shares of stocks and bonds including sharia corporate bonds and Interbank *Mudharabah* investment certificate (SIMA).

Marketable securities are classified as financial assets at fair value through profit or loss, available for sale, held to maturity, loan and receivables and at cost. Refer to Note 2c for the accounting policy of financial assets at fair value through profit or loss, available for sale, held to maturity, loan and receivables and at cost.

Investments in mutual funds units are stated at market value, in accordance with the net value of assets of the mutual funds as at the date of the consolidated statement of financial position.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**j. Marketable securities (continued)**

Before January 1, 2020 (continued)

Marketable securities which are traded in organised financial markets, fair value is generally determined by reference to quoted market prices by the stock exchanges at the close of business on the consolidated statement of financial position date. For marketable securities with no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument which substantially has the same characteristic or calculated based on the expected cash flows of the underlying net asset base of the marketable securities. Any permanent impairment in the fair value of marketable securities classified as held to maturity and available for sale is charged to current year's consolidated statement of profit or loss and other comprehensive income.

Reclassification of marketable securities from available for sale to held to maturity classification is recorded at fair value. Unrealised gains or losses are recorded in the equity section and will be amortised up to the maturity date of the marketable securities using the effective interest rate method to consolidated statement of profit or loss and other comprehensive income.

**k. Government bonds**

Government bonds represent bonds issued by the Government of the Republic of Indonesia. Government bonds consist of Government Bonds from the recapitalisation program and government bonds purchased from the market.

Government bonds are classified as financial assets at fair value through profit or loss, fair value through other comprehensive income and at amortised cost. Refer to Note 2c for the accounting policy of financial assets at fair value through profit or loss, fair value through other comprehensive income and at amortised cost.

Before January 1, 2020

Government bonds classified as financial assets at fair value through profit or loss, available for sale, held to maturity and at cost. Refer to Note 2c for the accounting policy of financial assets at fair value through profit or loss, available for sale, held to maturity and at cost.

**l. Other receivables - trade transactions**

Other receivables - trade transactions represent receivables resulting from contracts for trade-related facilities given to customers, which will be reimbursed on maturity.

Other receivables - trade transactions classified as financial assets at amortised cost. Refer to Note 2c for the accounting policy of amortised cost.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**I. Other receivables - trade transactions (continued)**

Before January 1, 2020

Other receivables - trade transactions represent receivables resulting from contracts for trade-related facilities given to customers, which will be reimbursed on maturity.

Other receivables - trade transactions are classified as financial assets in loans and receivables. Refer to Note 2c for the accounting policy of loans and receivables.

**m. Securities purchased/sold under resale/repurchase agreements**

Securities purchased under agreements to resell are classified as financial assets at amortised cost. Refer to Note 2c for the accounting policy of amortised cost.

Before January 1, 2020, securities purchased under agreements to resell are presented as assets in the consolidated statement of financial position at the agreed resale price less unamortised interest income and allowance for impairment losses. The difference between the purchase price and the agreed resale price is treated as deferred (unamortised) interest income and amortised as income over the period, commencing from the acquisition date to the resale date using the effective interest rate method.

Securities purchased under agreements to resell are classified as financial assets in loans and receivables. Refer to Note 2c for the accounting policy of financial assets for loans and receivables.

Securities sold under agreements to repurchase are presented as liabilities in the consolidated statement of financial position at the agreed repurchase price net of the unamortised prepaid interest. The difference between the selling price and the agreed repurchase price is treated as prepaid interest and recognised as interest expense over the period, commencing from the selling date to the repurchase date using effective interest rate method.

Securities sold under agreements to repurchase are classified as financial liabilities at amortised cost. Refer to Note 2c for the accounting policy for financial liabilities at amortised cost.

On January 1, 2018, the Subsidiaries recognised the reverse repo sharia in accordance with SFAS No. 111 regarding to "Accounting Wa'd" which applied prospectively. At initial recognition, Subsidiaries classified sharia securities as measured at fair value through other comprehensive income. Gains or losses arising from changes in fair value are recognised in other comprehensive income.

**n. Derivative receivables and derivative payables**

All derivative instruments (including foreign currency transactions for funding and trading purposes) are recognised in the consolidated statement of financial position at their fair values. Fair value is determined based on market value using Reuters rate at reporting date or discounted cash flow method.

Derivative receivables are presented at the amount of unrealised gain from derivative contracts. Derivative payables are presented at the amount of unrealised loss from derivative contracts.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**n. Derivative receivables and derivative payables (continued)**

Gains or losses from derivative contracts are presented in the consolidated financial statements based on its purpose designated upon acquisition, as (1) fair value hedge, (2) cash flow hedge, (3) net investment in a foreign operation hedge, and (4) trading instruments as follows:

1. Gain or loss on a derivative contract designated and qualified as a fair value hedging instrument and the gain or loss arising from the changes in fair value of hedged assets and liabilities is recognised as gain or loss that can be set off one another during the same accounting period/year. Any difference representing hedge ineffectiveness is directly recognised as gain or loss in current year.
2. The effective portion arising from gain or loss of derivative contracts, designated as a cash flow hedge instruments is reported as other comprehensive income. The hedge ineffective portion is recognised as a gain or loss in the current year.
3. Gain or loss arising from derivative contract that is designated as a net investment hedge in a foreign operation is reported as other comprehensive income, as long as the transactions are effectively recognised as hedge transactions.
4. Gain or loss arising from derivative contract that is not designated as a hedging instrument (or derivative contract that does not qualify as a hedging instrument) is recognised as gain or loss in current year.

Derivative receivables are classified as financial assets at fair value through profit or loss, meanwhile derivative payables are classified as financial liabilities at fair value through profit or loss. Refer to Note 2c for the accounting policy of financial assets and liabilities at fair value through profit or loss.

**o. Loans and sharia loan/financing**

Loans represent agreement to provide cash or cash equivalent based on agreements with borrowers, whose borrowers are required to repay their debts with interest after a specified period, and matured trade finance facilities which have not been settled within 15 days.

Syndicated loans, direct financing and joint financing, and channeling loans are stated at their outstanding balances in proportion to the risks borne by the Bank and its Subsidiaries.

Included in loans are financing by PT Bank Syariah Mandiri ("BSM"), a Subsidiary, in the form of sharia receivables, sharia financing and funds of *Qardh*.

Brief explanation for each type of sharia financing is as follows:

*Mudharabah* financing is a co-operation for certain project between first party (*malik, shahibul mal* or Subsidiary) as owner of fund and second party (*amil, mudharib* or debtors) as fund manager and the profit sharing will be shared in accordance with percentage as stated in the agreement, meanwhile losses will be borne by the Subsidiary except if the second party does negligence, error or violate the agreement. *Mudharabah* financing is stated at the outstanding financing balance less allowance for possible losses.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**o. Loans and sharia loan/financing (continued)**

*Musyarakah* financing is a co-operation between two or more parties in a certain business wherein each party provides a portion of fund on condition that the profit shall be shared based on the agreement, whereas losses shall be borne in accordance with the portion of the fund of each party. Permanent *musyarakah* financing is *musyarakah* in which the fund portion of each partner is stated explicitly in the contract and remains the same until the contract expires. Declining *musyarakah* (*musyarakah mutanaqisha*) financing is *musyarakah* in which the fund portion of the one of the partners will be transferred in several stages to the other partner, resulting in the declining of fund portion of the one of the partner, and at the end of contract, the other partner will become the sole owner of the business. *Musyarakah* financing is stated at the outstanding financing balance less allowance for possible losses.

*Ijarah* receivables are the financing on the availability of fund in relation to transfer the right to use and benefit of a good and service based on rental transaction which is not followed by transfer of the goods ownership to the lessee. *Ijarah muntahiyah bittamlik* is an agreement on the availability of fund in relation to transfer the right of use and benefit of a good or service based on rental transaction with an option to transfer the ownership of goods to the lessee. *Ijarah* receivables are recognised at due date at the amount of lease income that is not yet received and presented at its net realisable value, which is the outstanding balance of the receivables.

*Murabahah* contracts are the financing of goods by confirming purchase price to a buyer and the buyer pays it with a higher price as an agreed profit. *Murabahah* is the transaction of sales of goods by stating the cost and income (margin) that has been agreed by the seller and buyer.

*Murabahah* financing is classified as financial assets under loans and receivables according to SFAS No. 55 "Financial Instruments: Recognition and Measurements".

*Murabahah* initially is stated at fair value plus transaction cost/directly attributable administration fee and additional acquisition cost to acquire those financial assets and after initial recognition, it is measured at amortised cost using the effective interest rate method less the allowance for impairment losses.

*Murabahah* is stated at the balance of the receivable less deferred margin and allowance for possible losses. The Subsidiary calculates the allowance for impairment loss according to the *murabahah* financing quality according to each of financing balance.

*Istishna* is the financing of goods in the form of manufacturing the ordered goods with the agreed criteria and specification by both of orderer or buyer (*Mustashni*) and manufacturer or seller (*Shani*). *Istishna* is presented based on the outstanding billings less allowance for possible losses.

*Qardh* is borrowings at the condition that the borrower should repay the loan at specified period of time. The Subsidiary will obtain a fee (*ujrah*) from this transaction, which is recognised upon receipt. *Qardh* included *Hawalah* and *Rahn* financing agreement. *Hawalah* is transfer of debts from debtors to other party (Subsidiary) which obligates to be borne or paid.

*Rahn* represents the pledge of goods or assets owned by the customer to the Subsidiary for an equivalent amount of money. Assets or goods pledged are appraised based on market value, less a certain deduction percentage. The Subsidiary will obtain a fee (*ujrah*), which is recognised upon receipt. *Qardh* are stated at its outstanding balance less allowance for possible losses.

Loans and sharia loan/financing are classified as financial assets in loans and receivables. Refer to Note 2c for the accounting policy of financial assets for loans and receivables.



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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**o. Loans and sharia loan/financing (continued)**

Loan restructuring

Loan restructuring may involve a modification of the terms of the loans, conversion of loans into share/stock or other financial instruments and/or a combination of both.

Losses on loan restructurings due to modification of the terms of the loans are recognised as part of allowance for impairment losses only if the present value of total future cash receipts specified by the new terms of the loans including receipts designated as interest and loan principal, are less than the carrying amount of loans before restructuring.

For loan restructurings which involve a conversion of loans into share/stock or other financial instruments, a loss on loan restructuring is recognised as part of allowance for impairment losses if the fair value of the share or financial instruments received, deducted by estimated expenses to sell the share or other financial instruments, is less than the carrying amount of loans.

The Bank formed internal regulation regarding the debtors that are eligible to be removed from the list of restructured loans, i.e. when the loan/debtor has met the following criterias:

- i. Credit quality has been categorised Current (Collectibility 1) according to the review results by three (3) pillars of based on credit quality of Bank Indonesia;
- ii. The interest rate charged on the current loan facility is the commercial interest rates to debtors in accordance with the relevant credit segments above the base lending rate;
- iii. There are no Deferred Delinquency Interest and Deferred Interest which were not yet collected.

**p. Consumer financing receivables**

The Subsidiary's consumer financing receivables are recognised initially at fair value, plus transaction costs and deducted by yield enhancing income that is directly attributable, and subsequently measured at amortised cost using the effective interest rate method.

The Subsidiary's consumer financing receivables are classified at amortised cost. Refer to Note 2c for the accounting policy of financial assets classified at amortised cost.

Before January 1, 2020, Subsidiary's consumer financing receivables are recognised initially at fair value, plus transaction costs and deducted by yield enhancing income that is directly attributable, and subsequently measured at amortised cost using the effective interest rate method.

The Subsidiary's consumer financing receivables are classified as loans and receivables. Refer to Note 2c for the accounting policy of financial assets for loans and receivables.

Early termination is treated as a cancellation of an existing contract and the resulting gain or loss is credited or charged to the current year's consolidated statement of profit or loss and other comprehensive income at the transaction date.

Credit restructuring can be done by transfer of financing, continue to finance, repay back, change the due date, change the tenor and/or increase the down payment.

Subsidiary's unearned consumer financing income is the difference between total installments to be received from customers and the total financing which is recognised as income over the term of the contract using effective interest rate.

Consumer financing receivables are stated net of joint financing receivables where joint financing providers bears credit risk in accordance with its portion (without recourse), unearned consumer financing income and allowance for impairment losses.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**p. Consumer financing receivables (continued)**

Joint financing receivables that are jointly financed with other parties, bears credit risk in accordance with their financing portion (without recourse) and presented on a net basis in the consolidated statement of financial position. Consumer financing income and interest expense related to joint financing without recourse are also presented on a net basis in the consolidated statement of profit or loss and other comprehensive income.

For joint financing without recourse, the Subsidiary has the right to set higher interest rates to customers than those as stated in the joint financing agreements with joint financing providers. The difference is recognised as revenue and disclosed as "Consumer financing income".

**q. Net investment finance leases**

Net investment finance leases are classified at amortised cost. Refer to Note 2c to the accounting policy for at amortised cost.

Before January 1, 2020

Net investment finance leases represent lease receivable plus the residual value which is earned at the end of the lease period and net of unearned lease income, security deposits and the allowance for impairment losses. The difference between the gross lease receivable and the present value of the lease receivable is recognised as unearned lease income. Unearned lease income is allocated to current year consolidated statement profit or loss and other comprehensive income based on a constant rate of return on net investment using the effective interest rate.

The lessee has the option to purchase the leased asset at the end of the lease period at a price mutually agreed upon at the commencement of the agreement.

Early termination is treated as a cancellation of an existing contracts and the resulting gain or loss is recognised in the current year consolidated statement of profit or loss and other comprehensive income.

Net investment finance leases are classified as loans and receivables. Refer to Note 2c to the accounting policy for loans and receivables.

**r. Fixed assets, leased assets and liabilities, and intangible assets**

**i. Fixed assets and software**

On April 1, 2016, the Group changed their accounting policy relating to land from cost model into revaluation model. Subsequently, land is stated at fair value.

Appraisal of the land is carried out by a certified external independent appraiser. Assessment of these assets are conducted regularly to ensure that the fair value of the revaluated asset is not materially different from its carrying value.

If the fair value of the revalued asset change significantly, it is necessary to revalue on an annual basis, whereas if the fair value of the revalued asset does not change significantly, it is necessary to revalue at a minimum every 3 years.

The increase in the carrying value arising from the revaluation of land is recorded as "Difference arising from the revaluation of fixed assets" and is presented as "Other comprehensive income". Any impairment arising from the revaluation is recorded as expense of the current year. If the asset had a balance of "Difference arising from the revaluation of fixed assets" that is presented as "Other Comprehensive Income", then the impairment difference recorded is charged against "Difference arising from the revaluation of fixed assets" and the rest is recognised as expense of the current year.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**r. Fixed assets, leased assets and liabilities, and intangible assets (continued)**

**i. Fixed assets and software (continued)**

Group conducted revaluation in year 2019, 2016 and 2015 for accounting and tax purposes where the Group obtained approval from the tax authorities. The amount of taxes paid is recognised in other comprehensive income and accumulated in equity offset with the difference arising from the revaluation of fixed assets.

Fixed assets except for land is stated at cost less accumulated depreciation and impairment losses. Such cost includes the cost of replacing part of the fixed assets when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs that do not have future economic benefit are recognised in the consolidated statement of profit or loss and other comprehensive incomes as incurred. Software is recognised as intangible assets.

Depreciation and amortisation is calculated using the straight-line method over the estimated useful lives of fixed assets and intangible assets. The estimated useful lives and percentage of depreciation and amortization per annum are as follows:

	<u>Years</u>	<u>Percentage</u>
Buildings	20	5%
Furniture and fixtures, office equipment, computer and vehicles	4-5	20% - 25%
Software	5	20%

Fixed assets are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in consolidated statement of profit or loss and other comprehensive income in the year the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted prospectively if appropriate, at each financial year end.

Construction in progress is stated at cost and presented as part of fixed assets. Accumulated costs are reclassified to the appropriate fixed assets account when the assets are substantially complete and ready for their intended use.

In accordance with SFAS No. 16 (Revised 2011) regarding "Fixed Assets" and ISAK No. 25 regarding "Land Rights". The cost of land rights in the form of right to cultivate, right to build and use rights are recognised as fixed assets. The acquisition cost is the cost that are directly attributable to obtain land rights, including the cost of legal rights to the land when the land was first acquired.

Land rights in the form of right to cultivate, right to build and use rights are not amortised, unless there is evidence to indicate that the extension or renewal of land rights is likely to or definitely not obtained.

SFAS No. 48 (Revised 2014) regarding "Impairment of Assets" states that the carrying amounts of fixed assets are reviewed at each consolidated statement of financial position date to assess whether they are recorded in excess of their recoverable amounts. If the carrying value exceeds this estimated recoverable amount, assets are written down to their recoverable amount.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**r. Fixed assets, leased assets and liabilities, and intangible assets (continued)**

**ii. Leased assets and liabilities**

The Group implement SFAS 73 "Leased" since January 1, 2020

SFAS 73 implements new requirements or amendments in connection with lease accounting. This standard introduces significant changes to the lessee's accounting by eliminating the difference between operating and financing leases, and requires the recognition of use rights assets and the recognition of lease liabilities at inception for all leases, except for short-term leases and low-value asset leases. In contrast to lessee accounting, the requirements for lessor accounting are largely unchanged. The impact of the adoption of SFAS 73 on the Consolidated Financial Statements is described below.

The initial application date of SFAS 73 for the Group is January 1, 2020. The Group has adopted SFAS 73 using a modified retrospective approach by recognizing the cumulative impact from the initial application of SFAS 73. Accordingly, the comparative information presented for 2019 is not restated as previously reported, in SFAS 30 and related interpretations.

a) The effect of the new definition of lease

The main change from the definition of a lease has to do with the concept of control. SFAS 73 determines whether a contract is, or contains a lease on the basis that the lessee has the right to control the use of the asset for a specified period of time in exchange for consideration. This is the difference in determining whether a contract is, or contains a lease based on SFAS 30, with the concept of risk and benefit.

The Group applies the definition of leases and related guidance applied in SFAS 73 to all contracts recorded or amended on January 1, 2020.

The Group uses a single discount rate for lease portfolios with similar characteristics.

b) The impact on the lessee's accounting

The Group applies a single recognition and measurement approach to all leases, except for short-term leases and low-value asset leases. The Group recognizes a lease obligation to make lease payments and use rights assets that represent the right to use the underlying asset.

The Group recognizes the use rights assets at the inception date of the lease. Use rights assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease obligations. Lease liabilities are the amount of lease payments accrued until the end of the lease term, discounted using the incremental loan interest rate. The cost of lease assets includes the amount of lease liability recognized, initial direct costs paid, recovery costs and lease payments made on or before the start date of the lease less lease incentives received. Use rights assets are depreciated using the straight-line method over the shorter period between the lease term and the estimated useful life of the asset, as follows:

- Freehold land : not depreciated
- Land rights : not depreciated
- Building : 20 years
- Office machines : 5 years
- Computer hardware : 5 years
- Computer software : 5 years
- Office inventory : 5 years
- Inventory of official houses and mess : 5 years
- Motor vehicle : 5 years

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**r. Fixed assets, leased assets and liabilities, and intangible assets (continued)**

**ii. Leased assets and liabilities (continued)**

If ownership of the leased asset is transferred to the Group at the end of the lease term or the lease payments reflect the exercise of the purchase option, depreciation is calculated using the estimated useful lives of the asset. Use rights assets are tested for impairment in accordance with SFAS 48 Impairment of Assets Value.

At the inception date of the lease, the Group recognizes lease liabilities at the present value of future lease payments to be made over the lease term. Lease payments include fixed payments (including substantially fixed payments) less lease incentive receivables, variable lease payments that are index or interest rate dependent, and the amount expected to be paid in a residual value guarantee. Lease payments also include the reasonable exercise price for the purchase option if it is determined to be made by the Group and the payment of a penalty to terminate the lease, if the lease term reflects the Group exercising the lease termination option. Variable lease payments that are not dependent on an index or interest rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental loan interest rate of the lessee at the inception date of the lease because the interest rate implicit in the lease cannot be determined. After the inception date of the lease, the amount of the lease liability is increased to reflect the increase in interest and less lease payments made. In addition, the carrying amount of the lease liability is remeasured if there are modifications, changes in the term of the lease, changes in lease payments, or changes in the valuation of the option to purchase the underlying asset.

Short-term leases with a duration of less than 12 months and leases of low value assets, as well as elements of such leases, partially or wholly do not apply the recognition principles prescribed by SFAS 73 will be treated the same as operating leases in SFAS 30. The Group will recognize the payment lease on a straight-line basis over the lease term in the consolidated statement of profit or loss and other comprehensive income. This expense is shown under general and administrative expenses in the income statement.

The implementation of SFAS 73 listing applies to all leases (except as stated earlier), as follows: The Group present rent previously as operating lease in accordance with SFAS 30 which are not disclosed in the statement of financial position. The implementation of SFAS applies to all leases (except as stated earlier), Group:

- a. Present right of use assets as part of property, plant and equipment and leased liabilities are presented as part of other liabilities in the consolidated statement of financial position, measured at the present value of future lease payments;
- b. Record the depreciation of right of use assets and the interest of lease liability in the consolidated statement of profit or loss and comprehensive income; and
- c. Separating the total payment into principal (presented in financing activities) and interest (presented in operating activities) in the consolidated statement of cash flows.

**Leased policies before January 1, 2020**

Under SFAS No. 30 (Revised 2011) regarding "Lease", the determination of whether an agreement is, or contains a lease is based on the substance of the agreement at the inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. According to this revised SFAS, leases that transfer substantially all the risks and benefit related to ownership, are classified as finance leases. Further, a lease is classified as operating leases, if the lease does not transfer substantially all the risks and benefits related to ownership of assets.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**r. Fixed assets, leased assets and liabilities, and intangible assets (continued)**

**ii. Leased assets and liabilities (continued)**

**Leased policies before January 1, 2020 (continued)**

Under finance leases, the Group recognises assets and liabilities in its consolidated statement of financial position as the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Finance expense is recorded in the consolidated statement of income. Leased assets (presented under fixed assets) are depreciated over the shorter of the estimated useful life of the assets and the lease term, if there is no reasonable certainty that Bank Mandiri will obtain ownership by the end of the lease term.

Under an operating lease, the Group recognises lease payments as an expense on a straight-line basis over the lease term.

If a rental agreement contains elements of land and buildings, the Group assesses the classification of each element as a finance lease or an operating lease separately.

**iii. Intangible assets**

Intangible assets are recognised if, and only if its cost can be measured reliably and it is probable that expected future benefits that are attributable to it will flow to the Bank and Subsidiaries. Intangible assets consist of goodwill and computer software that are purchased by the Bank and Subsidiaries.

Software purchased by the Bank and subsidiaries is recorded at cost less accumulated amortization and accumulated impairment losses. Amortization method, estimated useful life and residual value are reviewed at end of reporting period and adjusted if necessary.

Refer to Note 2s for the accounting treatment of goodwill.

**s. Investments in shares**

Temporary investment is written-off from the consolidated statement of financial position if it is more than 5 years in accordance to the Financial Services Authority Regulation (POJK) No. 40/POJK.03/2019 concerning Quality Assessment of Commercial Banks.

Investments in shares under 20.00% and with no significant control are financial assets classified as fair value through other comprehensive income. Refer to Note 2c for the accounting policy for fair value through other comprehensive income

Before January 1, 2020, investments in shares with ownership below 20.00% are classified as financial assets available for sale.

Investments in shares represent long-term investments in non-public-listed companies and temporary investments in debtor companies arising from conversion of loans to equity.

Goodwill is recognised when there is a difference between the acquisition cost and the Bank's portion of the fair value of identified assets and liabilities at the acquisition date. Goodwill is presented as other assets. The Bank conducts an assessment of goodwill impairment regularly.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**t. Allowance for possible losses on non-earning assets**

Non-earning assets of Bank Mandiri and the Subsidiaries consist of repossessed assets, abandoned properties, inter-office accounts and suspense accounts.

The Bank provides an allowance for impairment of repossessed assets and abandoned property equivalent to the difference between the carrying amount of the asset and the fair value less costs to sell. As for the inter-office account and suspense account, the allowance is equivalent to difference between the carrying value and the recovery value.

**u. Acceptances receivables and payables**

Acceptances receivables are classified as financial assets under loans and receivables category. Refer to Note 2c for the accounting policy of financial assets for loans and receivables.

Acceptance payables are classified as financial liabilities at amortised cost. Refer to Note 2c for the accounting policy for financial liabilities at amortised cost.

Before January 1, 2020

Acceptances receivables are classified as financial assets under loans and receivables category. Refer to Note 2c for the accounting policy of financial assets for loans and receivables.

Acceptance payables are classified as financial liabilities at amortised cost. Refer to Note 2c for the accounting policy for financial liabilities at amortised cost.

**v. Other assets**

Other assets include accrued income for interest, provision and commissions, receivables, repossessed assets, abandoned properties, inter-office accounts and others.

Receivables consist of government bonds pledged by the Bank, mutual fund receivables from Subsidiaries and receivables from policy holders.

Repossessed assets represent assets acquired by Bank Mandiri and Subsidiaries, both from auction and non auction based on voluntary transfer by the debtor or based on debtor's approval to sell the collateral when the debtor could not fulfil their obligations to Bank Mandiri and Subsidiaries. Repossessed assets represent loan collateral that were taken over as part of loans settlement and presented in "Other Assets".

Abandoned properties represent Bank and Subsidiaries' fixed assets in the form of properties which were not used for Bank and Subsidiaries' business operational activity.

Repossessed assets and abandoned properties are presented at their net realizable values. Net realizable value is the fair value of the repossessed assets less estimated costs to sale the repossessed assets. Differences between the net realizable value and the proceeds from disposal of the repossessed assets are recognised as current year's gain or loss at the year of disposal.

Expenses for maintaining repossessed assets and abandoned properties are recognised in the current year's consolidated statement of profit or loss and other comprehensive income as incurred. Any permanent impairment loss that occurred will be charged to the current year's consolidated statement of profit or loss and other comprehensive income. Refer to Note 2t for changes in accounting policy to determine impairment losses on repossessed assets and abandoned properties.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**w. Obligations due immediately**

Obligations due immediately are recorded at the time the obligations occurred from customer or other banks. Obligations due immediately are classified as financial liabilities at amortised cost.

**x. Deposits from customers**

Deposits from customers are the funds placed by customers (excluding banks) with the Bank and Subsidiaries which operate in banking industry based on a fund deposit agreement. Included in this account are demand deposits, saving deposits, time deposits and other similar deposits.

Demand deposits represent deposits of customers that may be used as instruments of payment, and which may be withdrawn at any time by cheque, Automated Teller Machine card (ATM) or by overbooking through written transfer instruction (bilyet giro) or other orders of payment or transfers.

Saving deposits represent deposits of customers that may only be withdrawn over the counter and via ATMs or funds transfers by SMS Banking, Phone Banking and Internet Banking when certain agreed conditions are met, but which may not be withdrawn by cheque or other equivalent instruments.

Time deposits represent customers deposits that may only be withdrawn after a certain time based on the agreement between the depositor and the Bank. These are stated at amortised cost in the certificates between the Bank and the holders of time deposits.

Included in demand deposits are *wadiah* demand deposits and saving deposits. *Wadiah* demand deposits can be used as payment instruments and can be withdrawn any time using cheque and written transfer instruction (bilyet giro). *Wadiah* demand deposits and saving deposits earn bonus based on Subsidiary's policy. *Wadiah* saving and demand deposits are stated at the Subsidiary's liability amount.

Deposits from customers are classified as financial liabilities at amortised cost. Incremental costs directly attributable to acquisition of deposits from customers are included in the amount of deposits and amortised over the expected life of the deposits. Refer to Note 2c for the accounting policy for financial liabilities at amortised cost.

**y. Deposits from other banks**

Deposits from other banks represent liabilities to local and overseas banks, in the form of demand deposits, saving deposits, interbank call money with original maturities of 90 days or less, time deposits and negotiable certificate of deposits. Deposits from other banks are recorded as liability to other banks.

Included in the deposits from other banks are sharia deposits in form of *wadiah* deposits, and Interbank Certificates *Mudharabah* Investment (Sertifikat Investasi *Mudharabah* Antarbank (SIMA)).

Deposits from other banks are classified as financial liabilities at amortised cost. Incremental costs directly attributable to acquisition of deposits from other banks are included in the amount of deposits and amortised over the expected life of the deposits. Refer to Note 2c for the accounting policy for financial liabilities at amortised cost.



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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**z. Insurance contract**

Insurance contracts is a contract under which the insurer accepts significant insurance risk from the policyholders. Significant insurance risk is defined as the possibility of paying significantly more benefit to the policyholder upon the occurrence of insured event compared to the minimum benefit payable in a scenario where the insured event does not occur. Scenarios considered are those with commercial substance.

The Subsidiaries issue insurance contracts that accepted significant insurance risk from the policyholders. The Subsidiary defines significant insurance risk as the possibility of having to pay benefits on the occurrence of an insured event of at least 10% more than the benefits payable if the insured event did not occur. When an insurance contract does not have significant insurance risk, it is classified as investment contracts.

The Subsidiaries issues insurance contracts for traditional insurance product and investment-linked insurance product. Both of these products have significant insurance risk.

The Subsidiaries's products are divided into the following main categories:

- Traditional non-participating life insurance, provide protection to cover the risk of death, accident, critical illness, and health of the insured. The basic sum assured will be paid upon the occurrence of the risks covered.
- Unit-linked, is the insurance product with single and regular premium payment which is linked to investment products, and provides a combined benefit of protection and investment.

Once a contract has been classified as an insurance contract, no reclassification is subsequently performed unless the terms of the agreement are later amended. All insurance products issued by the Subsidiary has significant insurance risk.

The Subsidiary unbundles the deposit component of unit-linked contract as required by SFAS No. 62 when both the following conditions are met:

- The Subsidiary can measure separately the "deposit" component (including any embedded surrender option, i.e. without taking into account the "insurance" component);
- The Subsidiary's accounting policies do not otherwise require to recognise all obligations and rights arising from the "deposit" component.

The Subsidiary does not separate the deposit component because only one of the above conditions is met.

Liability adequacy test

Liability adequacy testing is performed at reporting date for contract individually or group of products determined in accordance with the Subsidiary's method of acquiring, servicing and measuring the profitability of its insurance contracts.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**z. Insurance contract (continued)**

Liability adequacy test (continued)

For life insurance, the liabilities to policyholder in particular the liabilities for future claim is tested to determine whether they are sufficient to cover all related future cash out flow including all guaranteed benefit and guaranteed additional benefit, non-guaranteed participation benefit feature (if any), all expenses for policies issuance and maintenance, as well as reflecting the future cash inflow, i.e. future premium receipt. The liabilities are calculated based on discounted cash flow basis for all related cash flows i.e. both of cash outflows and cash inflows as mentioned above using a set of most recent best estimate assumptions set by the Subsidiary's appointed actuary, included discount rate assumptions, mortality/morbidity assumptions, lapsed assumptions, expense assumptions and inflation assumptions as well as margin for adverse deviation assumptions. Subsidiary operates in life insurance use Gross Premium Reserve with best estimate and margin for adverse deviation therefore liability adequacy test is not required.

Reinsurance

The Subsidiaries reinsure a portion of its risk with reinsurance companies. The amount of premium paid or portion of premium from prospective reinsurance transactions is recognised over the reinsurance contract in proportion with the protection received.

Reinsurance assets include balances expected to be recovered from reinsurance companies for ceded liability for future policy benefits, ceded estimated claim liabilities and ceded unearned premiums. Recovery amount from reinsurers are estimated in a manner consistent with the liability associated with the reinsured policy.

Subsidiaries presents separately reinsurance asset of future policy benefit liabilities, unearned premium, and estimated claim liabilities.

If a reinsurance asset is impaired, the Subsidiaries deducted the carrying amount accordingly and recognises that impairment loss in the consolidated statement of profit or loss and other comprehensive income. A reinsurance asset is impaired if there is objective evidence, as a result of an event that occurred after initial recognition of the reinsurance asset, that the Subsidiary may not receive all amounts due to it under the terms of the contract, and the impact on the amounts that the Subsidiary will receive from the reinsurer can be reliably measured.

Liability for future policy benefits

The liabilities for future policy benefits represent the present value of estimated future policy benefits to be paid to policyholders or their heirs less present value of estimated future premiums to be received from the policyholders and recognised consistently with the recognition of premium income. The liabilities for future policy benefits are determined and computed based on certain formula by the Subsidiary's actuary.

The Subsidiaries calculate the liability for future policy benefits using Gross Premium Reserve method that reflect the present value of estimated payments throughout the guaranteed benefits including all the embedded options available, the estimated present value of all handling costs incurred and also considering the future premium receipt.

Increase/(decrease) in liabilities for future policy benefits is recognised in the current year's consolidated statement of profit or loss and other comprehensive income.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**z. Insurance contract (continued)**

Liability for future policy benefits (continued)

The liability to unit-linked policyholders is recognised at the time the funds received are converted into units, net of related expenses and will increase or decrease in accordance with effective net asset value.

Funds received from customers for non-sharia unit-linked products are reported as gross premium income in the consolidated statement of profit or loss and other comprehensive income. Liabilities to unit-linked policyholders are recognised in the consolidated statement of financial position computed based on unearned premium reserves using daily method from insurance cost of mortality risk plus reserves for the accumulated invested fund of unit-linked policyholders.

Any interest, gain or loss due to increases or decreases in market value of investments are recorded as income or expense, with a corresponding recognition of increase or decrease in liability to unit-linked policyholders in the statement of profit or loss and other comprehensive income and liability to unit-linked policyholders in the consolidated statement of financial position.

Funds received from customers for sharia unit-linked products is recognised as liabilities to unit-linked policyholders in the consolidated statement of financial position for the amount received net of the portion representing the Subsidiary fees in managing the unit-linked product income.

Unexpired Risk Reserve

A liability for contractual benefits that are expected to be incurred in the future is recorded when the premiums are recognised. The liability is determined as the sum of the expected discounted value of the benefit payments and the future administration expenses that are directly related to the insurance contract, less the expected discounted value of the theoretical premiums that would be required to meet the benefits and administration expenses based on the valuation assumptions used (the valuation premiums). The liability is based on assumptions as to mortality, persistency, maintenance expense and investment income that are established at the time the contract is issued. A margin for adverse deviations is included in the assumptions.

**aa. Debt securities issued**

Debt securities issued by the Bank and its Subsidiaries, including bonds, subordinated notes, medium term notes and travelers' cheques, are initially measured at fair value plus directly attributable transaction costs. Subsequently, transactions costs are amortised using the effective interest rate up to the maturity of debt securities issued.

Debt securities issued are classified as financial liabilities at amortised cost. Refer to Note 2c for the accounting policy for financial liabilities at amortised cost.

**ab. Fund borrowings**

Fund borrowings represent funds received from other banks, Bank Indonesia or other parties with the obligation of repayment in accordance with the requirements of the loan agreement.

Fund borrowings are initially measured at fair value minus directly attributable transaction costs. Fund borrowings are classified as financial liabilities at amortised cost. Refer to Note 2c for the accounting policy for financial liabilities at amortised cost.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**ac. Subordinated loans and marketable securities**

Subordinated loans and marketable securities are initially measured at fair value minus directly attributable transaction costs. Subsequently, transactions costs are amortised using the effective interest rate up to the maturity of subordinated loans and marketable securities.

Subordinated loans and marketable securities are classified as financial liabilities at amortised cost. Refer to Note 2c for the accounting policy for financial liabilities at amortised cost.

**ad. Income tax**

Bank Mandiri and Subsidiaries apply SFAS No. 46 (Revised 2014) regarding "Income Tax" which requires Bank Mandiri and Subsidiaries to account for the current and future recovery (settlement) of the carrying amount of assets (liabilities) that are recognised in the consolidated statement of financial position; and transactions and other events of the current period.

The tax expense comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss and other comprehensive income, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The Group's management periodically evaluates the implementation of prevailing tax regulations especially those that are subject to further interpretation on its implementation, including evaluation on tax assessment letters received from tax authorities. Where appropriate the Bank establishes provisions based on the amounts expected to be paid to the tax authorities.

Bank Mandiri and Subsidiaries applies the balance sheet liability method to determine income tax expense. Under the balance sheet liability method, deferred tax assets and liabilities are recognised for all temporary differences arising between the tax base of assets and liabilities and their carrying amount in the consolidated statement of financial position at each reporting date. This method also requires the recognition of future tax benefits, to the extent that realisation of such benefits is probable.

Deferred tax assets are recognised only to the extent that is probable that future taxable income will be sufficient against which the temporary differences can be utilised.

Deferred tax is calculated using tax rates enacted or substantively applied to the period during which the asset is realised or the liability is settled. The changes to the carrying value of deferred tax assets and liabilities due to the changes of tax rates are charged in the current year, except for transactions which previously have been directly charged or credited to equity.

Amendments to taxation obligations are recorded when an assessment is received or, if appealed against, when the result of the appeal is determined. Management provides provision for future tax liability at the estimated amount that will be payable to the tax office if there is a probable tax exposure, based on management's assessment as of the date of consolidated statement of financial position. Assumptions and estimation used in the calculation of provision may involve element of uncertainty.

The estimated corporate income tax of Bank Mandiri and Subsidiaries is calculated for each company as a separate legal entity. Current tax assets and current tax liabilities for different legal entities cannot be set-off in the consolidated financial statements. Corporate tax payables and other tax payables of Bank Mandiri and Subsidiaries are presented as taxes payable in the consolidated statement of financial position.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**ad. Income tax (continued)**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

**ae. Temporary *syirkah* funds**

Temporary *syirkah* funds represent investment received by a Subsidiary. The Subsidiary has the right to manage and invest funds in accordance with either the Subsidiary's policy or restriction set by the depositors with the agreed profit sharing.

Relationship between the Subsidiary and the owner of temporary *syirkah* funds are based on partnership *mudharabah muthlaqah*, *mudharabah muqayyadah* or *musyarakah*. The examples of temporary *syirkah* funds are investment funds received from *mudharabah muthlaqah*, *mudharabah muqayyadah* and other similar accounts.

- 1) *Mudharabah muthlaqah* represents *mudharabah* in which the fund owner (*shahibul maal*) entrusts to fund manager (*mudharib*/Subsidiary) in managing its investment.
- 2) *Mudharabah muqayyadah* represents *mudharabah* in which the fund owner sets restrictions against fund manager regarding, among others, the place, the means and/or the object of investment.

Temporary *syirkah* funds cannot be classified as liability because the Subsidiary does not have any liability to return the fund to the owners, except for losses due to the Subsidiary's management negligence or misrepresentation. On the other hand, temporary *syirkah* funds also cannot be classified as equity, because of the existence of maturity period and the depositors do not have the same rights as the shareholders, such as voting rights and the rights of realised gain from current asset and other non-investment accounts.

Temporary *syirkah* funds represent one of the consolidated statement of financial position accounts which is in accordance with sharia principle that provide right to the Subsidiary to manage fund, including to combine the funds with the other funds.

The owner of temporary *syirkah* funds receive parts of profit in accordance with the agreement and receive loss based on the proportion to the total funds. The profit distribution of temporary *syirkah* funds might be based on profit sharing or revenue sharing concept.

**af. Interest and sharia income and expense**

(i) Conventional

Interest income and expense for all interest-bearing financial instruments are recognised as "interest income" and "interest expense" in the consolidated statement of profit or loss and other comprehensive income using the effective interest method.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**af. Interest and sharia income and expense (continued)**

(i) Conventional (continued)

The effective interest method is a method of calculating the amortised cost of financial assets and liabilities and allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all commissions, provision and other fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised on the non-impaired portion of the impaired financial assets using the rate of interest used to discount the future cash flows for measuring the impairment loss.

(ii) Sharia income

Included in interest income and expense are sharia income and expense with sharia principle. The Subsidiary's income as a fund manager (*mudharib*) consists of income from *murabahah* and *istishna* transactions, income from *ijarah* (leasing), income from profit sharing of *mudharabah* and *musyarakah* financing and other main operating income.

*Murabahah* income through deferred payment or installment is recognised during the period of the contract based on effective rate of return method (annuity).

According to SFAS No. 102 (Revised 2019), *murabahah* income which includes deferred margin and administrative income are recognised as income using the effective rate of return method, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial assets and includes any fees or incremental costs that are directly attributable to the assets and are an integral part of the effective financing rate.

Income from *istishna* is recognised using the percentage of completion or full completion method.

Income from *ijarah* is recognised proportionally during the contract period.

Profit sharing for passive partner in *musyarakah* is recognised in the period when the right arise in accordance with the agreed sharing ratio.

Profit sharing income from *mudharabah* is recognised in the period when the right arise in accordance with agreed sharing ratio and the recognition based on projection of income is not allowed.

Any payment from non performing debtors recognised is recognised as the repayment cost or loan/financing. Excess payment over the cost or loan/financing recognised as income when cash received. Especially for *ijarah* transactions, any payment from non performing debtors recognised as the settlement.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**af. Interest and sharia income and expense (continued)**

(iii) Third parties' share on return of temporary *syirkah* funds

Third parties' share on the return of temporary *syirkah* funds represent fund owners' share of the profit of Subsidiary derived from managing of such funds under *mudharabah mutlaqah*, *mudharabah muqayyadah* and *mudharabah musytarakah* principles. The profit sharing is determined on the earned income.

Distribution of profit sharing is based on profit sharing principle which is calculated from the Subsidiary's gross profit margin.

Total margin income and profit sharing on financing and other productive assets will be distributed to the fund owner and subsidiary, calculated proportionally according to the allocation of fund owner and subsidiary that were used in the financing and other productive assets.

Further, margin income and profit sharing on financing facilities and other earning assets are distributed to fund owners and depositor as *shahibul maal* and the Subsidiary as *mudharib* based on a predetermined profit sharing with *nisbah* portion. Margin income and profit sharing from financing facilities and other earning assets using the Subsidiary's funds, are entirely shared for the Subsidiary, including income from the Subsidiary's fee-based transactions.

**ag. Premium income and claims expenses**

Premium income received from short-term insurance contracts is recognised as revenue over the period of risk coverage in proportion to the amounts of insurance protection provided. Premiums from long-term contracts are recognised as revenue when the policy is due.

Premiums received before the due date of the respective policies are reported as policyholders' deposits in the consolidated statement of financial position.

Claims and benefits consist of settled claims, claims that are still in process of completion and estimates of claims incurred but not yet reported (IBNR). Claims and benefits are recognised as expenses when the liabilities to cover claims are incurred. Claim recoveries from reinsurance companies are recognised and recorded as deduction from claims expenses consistent in the same period with the claim expenses recognition.

Total claims in process, including claims incurred but not yet reported, are stated at estimated amounts determined based on the actuarial technical insurance calculations. Changes in estimated claims liabilities as a result of further evaluation and the difference between estimated claims and paid claims are recognised as addition to or deduction from expenses in the period the changes occurred.

**ah. Fees and commissions income**

Fees and commissions income and transaction costs that are directly attributable to lending, consumer financing activities and investment in lease financing, are recognised as a part/(deduction) of outstanding loan and consumer financing receivables and will be recognised as interest income by amortisation using effective interest rate method.

The directly attributable unamortised fees and commissions balances relating to loans, consumer financing receivables and investment in lease financing which is settled prior to maturity are recognised upon settlement date of such loans, consumer financing and investment in lease financing.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**ah. Fees and commissions income (continued)**

Other fees and commissions income which are not directly related to lending activities or a specific period are recognised as revenue on the transaction date.

**ai. Employee benefits**

**Pension liability**

Bank Mandiri established a defined contribution pension plan covering substantially all of its eligible employees from August 1, 1999 and also defined benefit pension plans, which were derived from each of the Merged Banks' pension plan. This program is funded through payment to pension fund's management as defined in the regular actuarial calculation.

Bank Mandiri and Subsidiaries' pension liability has been calculated by comparing the benefit that will be received by an employee at normal pension age from the Pension Plans with the benefit as stipulated under the Labor Law No. 13/2003 after deducting accumulated employee contributions and the results of its investments. If the pension benefit from the Pension Plans is less than the benefit as required by the Labor Law No. 13/2003, the Bank and Subsidiaries will have to pay such shortage.

The pension plan based on the labor law is a defined benefit plan because the labor law requires a certain formula to calculate the minimum pension benefit. A defined contribution plan is a pension plan that defines an amount of pension contribution based on pension Fund Regulation and all contribution including investment return are recorded in its account's member as pension benefit as stated in Pension Fund Law No. 11 year 1992 dated April 20, 1992 regarding Pension Fund.

The pension liability recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the consolidated statement of financial position date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service cost. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method on a regular basis for periods not exceeding one year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using discounting rate zero coupon bond that are denominated in the currency in which the benefit will be paid, and that have terms to maturity approximating the terms of the related pension liability.

The accumulated unrecognised actuarial gains or losses incurred are recognised as "Other Comprehensive Income" and is presented in the equity section. Past service cost is directly charged to profit or loss.

The post-employment benefits expense recognised during the current year consists of service cost in profit or loss, net interest on the net defined benefit liability in profit and loss or re-measurement of the net defined benefit liabilities in other comprehensive income.

Net interest on the net defined benefit liabilities is the interest income component of plan assets, interest expense of defined benefit liabilities and interest on the effect of asset ceiling.

Remeasurements of the net defined benefit liability consists of:

- Actuarial gains and losses;
- Return on plan assets, excluding amount included in net interest on the net defined benefit liability; and
- Any change in effect of the asset ceiling, excluding amount including in net interest on the net defined benefit liability.



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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**ai. Employee benefits (continued)**

**Pension liability (continued)**

Actuarial gains and losses may arise from the adjustments made based on the experience and changes in actuarial assumption.

**Other long-term employment benefit obligations**

Other long-term employment benefit obligations consist of paid leave and service awards.

The entitlement of these benefits is provided to the employees until reaching the retirement age and the completion of a minimum service period. The costs estimation for these benefits are accrued over the period of employment calculated using similar methodology used for defined benefit pension plans but simplified. These obligations are calculated annually by independent qualified actuaries.

**Tantiem distribution**

Bank Mandiri records tantiem on an accrual basis and charges it to the consolidated statement of profit or loss and other comprehensive income during the year.

**aj. Earnings per share**

Earnings per share is calculated by dividing the consolidated net profit at end of year with the weighted average number of shares issued and fully paid-in during the year.

The weighted-average number of outstanding shares used in computing basic and diluted earnings per share as of December 31, 2020 and 2019 are 46,666,666,666 shares.

**ak. Operating segment**

An operating segment is a component of an entity:

- (a) that is involved in business activities to generate income and expenses (include income and expenses relating to the transactions with other components from the same entity);
- (b) whose operating results are reviewed regularly by chief decision maker for decision making on allocation of resources and performance evaluation on works; and
- (c) for which separate financial information is available.

In accordance with SFAS No. 5 regarding "Operating Segment", the Group presents operating segment based on internal reports that are presented to the decision-maker operational activities. The decision maker is the Board of Directors.

Segment Information as of December 31, 2020 onwards presented in accordance with the Board of Directors Decree No. KEP.DIR/014/2020 dated February 25, 2020 on Organizational Structure, the operating segments are divided into the following business segments: Corporate Banking, Commercial Banking, Institutional, Retail Banking (including Wealth), Treasury & International Banking, Head Office, Sharia Subsidiary; Subsidiary - Insurance and Other Subsidiaries.

Segment Information as of December 31, 2019 onwards presented in accordance with the Board of Directors Decree No. KEP.DIR/034/2019 dated May 24, 2019 on Organizational Structure, the operating segments are divided into the following business segments: Corporate Banking, Commercial Banking, Institutional, Retail Banking (including Wealth), Treasury & International Banking, Head Office, Sharia Subsidiary; Subsidiary - Insurance and Other Subsidiaries.

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## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **ak. Operating segment (continued)**

A geographical segment represents a component of the Bank and its Subsidiaries that provides services in different economic environment and has a different risk and reward compared to others operating in different economic environment. Geographical segments are divided into Indonesia, Asia (Singapore, Malaysia, Hong Kong, Timor Leste and Shanghai), Western Europe (England) and Cayman Islands.

### **al. Partnership program and community development program**

Fund allocation for partnership program and community development program are no longer allocated from retained earning approved by General Shareholders Meeting instead, it is accrued and charged directly to the current year consolidated statement of profit or loss and other comprehensive income.

### **am. Treasury Shares**

Treasury shares are share capital that is acquired and owned back from previously issued by the Bank. Treasury shares are stated at the amount paid, including directly attributable additional costs (less income tax) and as a deduction from equity until the shares are canceled or reissued. When the shares are subsequently sold back, the amount received, less the related transaction surcharge and the related income tax effect, is presented in equity.

## **3. USE OF CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

Several estimates and assumptions are required in the preparation of the consolidated financial statements in which management judgment is required in determining the methodology in the valuation of assets and liabilities.

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. All estimates and assumptions required in conformity with Statement of Financial Accounting Standard are the best estimates undertaken in accordance with the applicable standards. Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events.

Although these estimates and assumptions are based on management's best knowledge of current events and activities, actual results may differ from those estimates and assumptions.

### **Key sources of estimation uncertainty**

#### **a. Allowances for impairment losses of financial assets**

Evaluation of impairment losses on financial assets carried at amortised cost and debt securities classified as available for sale are described in Note 2c.

Allowance for impairment losses related to a specific counterparty as part of the entire allowance for impairment losses are established for receivables that are individually evaluated for impairment based on management's best estimate of the present value of cash flows expected to be received. In calculating the allowance for impairment losses, management considers of the financial condition of the counterparty and the net realizable value of the collateral received. Each impaired asset is evaluated, and its settlement strategy and estimation of cash flows considered recoverable are independently approved by the Credit Risk Management Unit.

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**3. USE OF CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**

**Key sources of estimation uncertainty (continued)**

**a. Allowances for impairment losses of financial assets (continued)**

Collectively assessed impairment allowances cover credit losses inherent in portfolios with similar economic characteristics when there is objective evidence to suggest the impairments are exist within the portfolio, but the individual impaired items cannot yet be identified. In determining the need to establish allowance for collective impairment, management considers factors such as credit quality, size of portfolio, credit concentrations, and economic factors. In estimating the required allowance, the assumptions made to determine default and loss model and to determine the required input parameters which are based on historical experience and current economic conditions. The accuracy of this allowance depends on how precise the estimated future cash flows to determine the individual allowance and the model assumptions and parameters used in determining collective allowance.

**b. Determining fair values of financial instruments**

In determining the fair value for financial assets and financial liabilities for which there is no observable market price, the Group uses the valuation techniques as described in Note 2c for financial instruments that are traded infrequently and limited available price, fair value is less objective and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks.

**c. Pension programs**

Pension programs are determined based on actuarial valuation. The actuarial valuation use assumptions such as discount rate, expected rate of return on investments, future salary increases, mortality rate, resignation rate and others (refer to Note 2ai and 52). Any changes in those assumptions will impact the liability balance of employee benefit obligations.

The Group determines the appropriate discount rate at the end of each year including interest rate that should be used to determine the present value of estimated future cash outflows expected to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of government bonds denominated in similar currency with payments that will be made and have terms to maturity approximating the terms of the related employee benefit liability. Other key assumptions for pension obligations are determined based in part on current market conditions.

**d. Insurance liabilities on insurance contracts**

Technical reserves of Subsidiaries which recorded in the consolidated statement of financial position as part of "Other liabilities" are calculated based on actuarial calculation using certain actuarial assumptions which are the best estimate assumption and margin for any adverse deviations. Included in the technical reserves are liability for future policy benefits, estimated claim liabilities, unearned premium income, Unexpired Risk Reserve (URR) and liability to policyholders.

**e. Deferred tax assets**

Deferred tax assets are recognised for all deductible temporary differences, as long as it is likely that taxable income will be available so that the temporary differences can be utilised. Significant estimates by management are required in determining the amount of deferred tax assets that can be recognised, based on utilisation and the level of taxable income and future tax planning strategies. The Bank does not take into account some of the benefits of deferred tax assets as management believes that deferred tax assets will not be recoverable in the future.

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**3. USE OF CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**

**Key sources of estimation uncertainty (continued)**

**f. Depreciation and estimated useful life of fixed assets**

Cost of acquisition of fixed assets are depreciated using the straight-line method based on their estimated economic useful life. Bank's management estimates the useful lives of the assets between 4 (four) to 20 (twenty) years.

Changes in the level of usage and technological developments could affect the economic useful lives and residual value of assets, and therefore future depreciation charges may be revised.

The carrying value of the Bank's fixed assets is disclosed in Note 18.

**g. Impairment of non-financial assets**

Bank Mandiri and its subsidiaries assess impairment of non-financial assets whenever events or changes in circumstances indicate that the carrying value of non-financial assets cannot be recovered. Important factors that could cause impairment of non-financial assets are as follows:

- a) Performance is not achieved significantly against expectations of historical or projected operating results in the future;
- b) A significant change in the way the use of the asset or the overall business strategy; and
- c) Industry or economic trends are significantly negative.

The Management of the Bank and its Subsidiaries recognize an impairment loss if the carrying amount of the asset exceeds its recoverable amount. Recoverable amount is the higher value between the fair value minus costs of disposal and the value in use of the asset (or cash-generating unit). Recoverable amount is estimated for individual assets or, if not possible, for the cash-generating unit in which the asset forming part of the unit.

**h. Revaluations of land**

The Group engaged independent valuation specialists to assess fair value of revalued land. Lands were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as location and condition of land.

**i. Determine the contract term with options for extension and termination of the contract - the Group as lessee**

The Group determines the lease term as the term of the lease that cannot be canceled, together with the period covered by the option to extend the lease if it is determined to be exercised, or any period covered by the option to terminate the lease, if it is reasonably reasonable not to do so.

The Group has several lease contracts that include options for extension and termination of the lease terms. The Group applies its judgment in evaluating whether it is certain to exercise the option to extend or terminate the lease. This is done by considering all relevant facts and circumstances that provide economic incentives to extend or terminate the lease. After the commencement date, the Group reassesses the lease term, if there is a significant event or change in circumstances which is under its control and affects whether the lessee is certain enough to exercise the option to extend or terminate the lease.

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**3. USE OF CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**

**Significant accounting judgements**

Accounting judgements that are important in applying accounting policies of the Bank and its Subsidiaries include:

**a. Going concern**

The Management of the Bank and its Subsidiaries has assessed the ability of the Bank and its Subsidiaries to continue its business and believes that the Bank and Subsidiaries have the resources to continue their business in the future. In addition, management is not aware of any material uncertainties that may cause significant doubt on the ability of the Bank and Subsidiaries to maintain its viability. Therefore, the consolidated financial statements have been prepared on the basis of a going concern.

**b. Classification of financial assets and liabilities**

The Management of the Bank and its Subsidiaries determine the classification of certain assets and liabilities as financial assets and financial liabilities by considering whether the definitions set under SFAS No. 71 have been fulfilled since January 1, 2020, previously in accordance with SFAS No. 55 "Financial Instrument: Recognition and Measurement". Accordingly, financial assets and financial liabilities are recognised in accordance with the accounting policy of the Bank and its Subsidiaries as disclosed in Note 2.c.E.

**4. CURRENT ACCOUNTS WITH BANK INDONESIA**

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah	42,493,473	33,083,619
United States Dollar (Note 63B.(iv))	7,145,152	13,407,311
	<b>49,638,625</b>	<b>46,490,930</b>

As of December 31, 2020 and 2019, the Bank's Minimum Statutory Reserve (GWM) in Rupiah and Foreign Currencies and Macroprudential Liquidity Buffer (PLM) are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah		
Primary Minimum Statutory Reserve <sup>*)</sup>	3.00%	6.00%
(i) Daily Minimum Statutory Reserve	0.00%	3.00%
(ii) Average Minimum Statutory Reserve	3.00%	3.00%
Macroprudential Liquidity Buffer	6.00%	4.00%
Foreign currencies		
Primary Minimum Statutory Reserve	4.00%	8.00%
(i) Daily Minimum Statutory Reserve	2.00%	6.00%
(ii) Average Minimum Statutory Reserve	2.00%	2.00%

<sup>\*)</sup> Bank provide funds for economic activities in the form of export, import, small medium enterprise (UMKM), and / or economic activities in other priority sectors determined by Bank Indonesia, so that the Bank gets incentives in the form of allowance for reserve requirements. Minimum Statutory Reserves in Rupiah that must be met by the Bank on December 31, 2020 which previously had to be met by the Bank was 3.50% with a daily requirement of 0.50% and an average of 3.00% to be 3.00% with a daily requirement of 0.00% and Average GWM 3.00% (based on the terms of the Note 2h)

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**4. CURRENT ACCOUNTS WITH BANK INDONESIA (CONTINUED)**

As of December 31, 2020 and 2019, the Bank has fulfilled the ratio as mentioned above. The Statutory Reserves Ratio for Rupiah and foreign currencies accounts and Macroprudential Liquidity Buffer Ratio (Bank Mandiri only), are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah		
Primary Minimum Statutory Reserve	3.50%	6.21%
(i) Daily Minimum Statutory Reserve*)	0.00%	3.00%
(ii) Average Minimum Statutory Reserve	3.50%	3.21%
PLM (formerly Secondary Minimum Statutory Reserve)	23.50%	13.02%
Foreign currencies		
Primary Minimum Statutory Reserve	4.10%	8.10%
(i) Daily Minimum Statutory Reserve	2.00%	6.00%
(ii) Average Minimum Statutory Reserve	2.10%	2.10%

\*) Realization of daily rupiah reserve requirement as of December 31, 2020 and 2019 were 5.27% dan 4.11%.

\*\*) Realization of daily foreign currencies requirement as of December 31, 2020 and 2019 were 4.10% dan 8.10%.

There is no Current Account RIM (previously GWM LFR) should fulfilled by the Bank as of December 31, 2020 and 2019.

**5. CURRENT ACCOUNTS WITH OTHER BANKS**

a. By currency, related parties and third parties:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah		
Related parties (Note 57)	9,438	4,247
Third parties	1,010,125	486,671
Total	<u>1,019,563</u>	<u>490,918</u>
Foreign currencies		
Related parties (Note 57)	2,363	246
Third parties	23,026,445	12,072,326
Total (Note 63B.(iv))	<u>23,028,808</u>	<u>12,072,572</u>
Total	24,048,371	12,563,490
Less: allowance for impairment losses	(71,044)	(5,193)
<b>Net</b>	<b><u>23,977,327</u></b>	<b><u>12,558,297</u></b>

Included in foreign currencies are mainly Great Britain Poundsterling, United States Dollar, European Euro, Japanese Yen, Australian Dollar, Hong Kong Dollar, Chinese Yuan and Singapore Dollar.

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**5. CURRENT ACCOUNTS WITH OTHER BANKS (continued)**

a. By currency, related parties and third parties (continued):

Movements on current account with other bank classified as amortised cost for the year ended December 31, 2020:

	December 31, 2020				
	Stage 1	Stage 2	Stage 3	Sharia <sup>1)</sup>	Total
Beginning balance	10,732,951	-	3,290	1,827,249	12,563,490
Remeasurement of net carrying amount	8,938,606	-	(522)	4,031,506	12,969,590
New financial assets originated or purchased	3,216,156	-	-	1,064	3,217,220
Financial assets derecognised	(4,783,964)	-	-	-	(4,783,964)
Total increase/(decrease) during the year	7,370,798	-	(522)	4,032,570	11,402,846
Others	60,238	-	311	21,486	82,035
<b>Ending balance</b>	<b>18,163,987</b>	<b>-</b>	<b>3,079</b>	<b>5,881,305</b>	<b>24,048,371</b>

<sup>1)</sup> Not Implement SFAS 71 "Financial Instrument"

b. By Bank Indonesia's collectibility:

	December 31, 2020	December 31, 2019
Rupiah		
Current	1,019,563	490,918
Foreign currencies		
Current	23,025,729	12,069,282
Loss	3,079	3,290
Total (Note 63B.(iv))	23,028,808	12,072,572
	24,048,371	12,563,490
Less: allowance for impairment losses	(71,044)	(5,193)
<b>Net</b>	<b>23,977,327</b>	<b>12,558,297</b>

c. The average interest rate (yield) per annum:

	December 31, 2020	December 31, 2019
Rupiah	0.01%	0.01%
Foreign currencies	0.50%	1.41%

d. Movements of allowance for impairment losses on current accounts with other banks are as follows:

	December 31, 2020	December 31, 2019
Beginning balance	5,193	5,189
First Implementation of SFAS 71 (Note 68)	4,865	-
Allowance during the year (Note 46)	60,372	248
Others <sup>1)</sup>	614	(244)
<b>Ending balance</b>	<b>71,044</b>	<b>5,193</b>

<sup>1)</sup> Included effect of foreign currency translation.

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**5. CURRENT ACCOUNTS WITH OTHER BANKS (continued)**

- d. Movements of allowance for impairment losses on current accounts with other banks are as follows (continued):

	December 31, 2020				
	Stage 1	Stage 2	Stage 3	Sharia <sup>1)</sup>	Total
Beginning balance	-	-	3,290	1,903	5,193
First Implementation of SFAS 71 (Note 68)	4,865	-	-	-	4,865
Beginning Balance SFAS 71	4,865	-	3,290	1,903	10,058
Net remeasurement of losses allowance	2,099	-	(522)	60,399	61,976
New financial assets originated or purchased	1,174	-	-	-	1,174
Financial assets derecognised	(2,778)	-	-	-	(2,778)
Total allowance/(reversal) during the year	495	-	(522)	60,399	60,372
Others	280	-	311	23	614
<b>Ending balance</b>	<b>5,640</b>	<b>-</b>	<b>3,079</b>	<b>62,325</b>	<b>71,044</b>

<sup>1)</sup> Not implement SFAS 71 "Financial Instrument"

Management believes that the allowance for impairment losses on current accounts with other banks is adequate.

- e. Information in respect of classification of "non-impaired" and "impaired" are disclosed in Note 63A.

**6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS**

- a. By type, currency, maturity and Bank Indonesia's collectibility:

	December 31, 2020			
	Maturity	Current	Loss	Total
<b>Rupiah</b>				
Bank Indonesia	< 1 month	35,732,489	-	35,732,489
Call money	< 1 month	1,780,000	-	1,780,000
Time Deposits	< 1 month	948,299	-	948,299
	≥ 1 month ≤ 3 months	321,800	-	321,800
	> 3 months ≤ 6 months	18,000	-	18,000
	> 6 months ≤ 12 months	20,000	-	20,000
Total		38,820,588	-	38,820,588
<b>Foreign currencies</b>				
Bank Indonesia	< 1 month	29,153,750	-	29,153,750
	≥ 1 month ≤ 3 months	140,500	-	140,500
Call money	< 1 month	8,322,517	-	8,322,517
	> 36 months	-	43,573	43,573
Fixed Term Placement	< 1 month	2,737,010	-	2,737,010
	> 3 months ≤ 6 months	205,863	-	205,863
	> 36 months	-	1,004	1,004
Time Deposits	< 1 month	281,000	-	281,000
	≥ 1 month ≤ 3 months	35,350	-	35,350
	> 3 months ≤ 6 months	71,230	-	71,230
	> 12 months ≤ 36 months	146	-	146
	> 36 months	838	-	838
Total (Note 63B.(iv))		40,948,204	44,577	40,992,781
Less: allowance for impairment losses				79,813,369 (46,772)
<b>Net</b>				<b>79,766,597</b>



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**6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)**

a. By type, currency, maturity and Bank Indonesia's collectability (continued):

		December 31, 2019			
		Maturity	Current	Loss	Total
<b>Rupiah</b>					
Bank Indonesia	< 1 month		12,380,226	-	12,380,226
Call money	< 1 month		4,020,000	-	4,020,000
Time Deposits	< 1 month		829,100	-	829,100
	> 1 month ≤ 3 months		311,800	-	311,800
	> 3 months ≤ 6 months		9,500	-	9,500
<b>Total</b>			<b>17,550,626</b>	<b>-</b>	<b>17,550,626</b>
<b>Foreign currencies</b>					
Bank Indonesia	< 1 month		8,468,325	-	8,468,325
Call money	< 1 month		8,090,026	-	8,090,026
	> 12 months ≤ 36 months		-	46,601	46,601
Fixed Term Placement	< 1 month		2,310,017	-	2,310,017
	> 1 month ≤ 3 months		235,617	-	235,617
	> 3 months ≤ 6 months		246,398	-	246,398
	> 12 months ≤ 36 months		-	1,074	1,074
Time Deposits	< 1 month		666,779	-	666,779
	> 36 months		972	-	972
<b>Total (Note 63B.(iv))</b>			<b>20,018,134</b>	<b>47,675</b>	<b>20,065,809</b>
					37,616,435
Less: allowance for impairment losses					(47,675)
<b>Net</b>					<b>37,568,760</b>

Movements on Placement with Bank Indonesia and Other Banks classified as amortised cost for December 31, 2020:

		December 31, 2020			
		Stage 1	Stage 2	Stage 3	Total
Beginning balance		37,568,760	-	47,675	37,616,435
Remeasurement of net carrying amount		2,137,932	-	(7,605)	2,130,327
Financial assets derecognised		370,956,722	-	-	370,956,722
New financial assets originated or purchased		(331,795,376)	-	-	(331,795,376)
<b>Total increase/(decrease) during the year</b>		<b>41,299,278</b>	<b>-</b>	<b>(7,605)</b>	<b>41,291,673</b>
Others		900,754	-	4,507	905,261
<b>Ending balance</b>		<b>79,768,792</b>	<b>-</b>	<b>44,577</b>	<b>79,813,369</b>

b. By related parties and third parties:

	December 31, 2020	December 31, 2019
<b>Rupiah</b>		
Related parties (Note 57)	1,062,799	368,500
Third parties	37,757,789	17,182,126
<b>Total</b>	<b>38,820,588</b>	<b>17,550,626</b>

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**6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)**

b. By related parties and third parties (continued):

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Foreign currencies		
Related parties (Note 57)	2,069,790	1,131,424
Third Parties	38,922,991	18,934,385
Total (Notes 63B.(iv))	<u>40,992,781</u>	<u>20,065,809</u>
	79,813,369	37,616,435
Less: allowance for impairment losses	(46,772)	(47,675)
<b>Net</b>	<b><u>79,766,597</u></b>	<b><u>37,568,760</u></b>

c. By counterparty:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah		
Deposit Facility		
Bank Indonesia	35,732,489	12,380,226
Call Money		
PT Bank Pembangunan Daerah		
Jawa Timur	400,000	-
PT Bank Pembangunan Daerah		
Jawa Tengah	200,000	-
PT Bank Pembangunan Daerah		
Aceh Syariah	150,000	-
PT Bank Pembangunan Daerah		
Bali Denpasar	150,000	-
PT Bank Pembangunan Daerah		
Kalimantan Tengah	125,000	-
PT Bank Pembangunan Daerah		
Kalimantan Timur & Utara	125,000	-
PT Bank Pembangunan Daerah		
Kalimantan Tengah	120,000	-
PT Bank Pembangunan Daerah		
Sulawesi Selatan	120,000	-
PT Bank Pembangunan Daerah		
Sumatera Utara	-	350,000
PT Bank Pembangunan Daerah Riau	-	150,000
PT Bank Pembangunan Daerah		
Kalimantan Timur & Utara	-	175,000
Others	390,000	3,345,000
	<u>1,780,000</u>	<u>4,020,000</u>

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**6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)**

c. By counterparty (continued):

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Rupiah (continued)		
Time Deposits		
PT Bank Tabungan Negara (Persero) Tbk	405,500	251,000
PT BRI Syariah Tbk	290,000	-
PT Bank Rakyat Indonesia Agroniaga Tbk	230,800	-
PT Bank Rakyat Indonesia (Persero) Tbk	-	28,000
PT Bank Pembangunan Daerah Jawa Tengah	-	177,950
Citibank N.A.	-	162,750
PT Bank Negara Indonesia (Persero) Tbk	-	27,000
Others	381,799	503,700
	<u>1,308,099</u>	<u>1,150,400</u>
<b>Total</b>	<b>38,820,588</b>	<b>17,550,626</b>
Foreign currencies		
United State Dollar		
Term Deposit Valas		
Bank Indonesia	29,294,250	8,468,325
Call Money		
Wells Fargo	4,111,030	6,069,429
Citibank N.A.	3,225,880	770,479
Bank of New York	602,043	665,666
HSBC Bank USA, N.A.	-	56,918
Others	383,565	527,534
	<u>8,322,518</u>	<u>8,090,026</u>
Fixed Term		
PT Bank Rakyat Indonesia (Persero) Tbk	848,620	91,625
CTBC Bank Co, Ltd,	421,500	-
The Agricultural Bank of China, Hong kong	421,500	-
Wells Fargo	-	1,449,333
Bank of China	-	126,747
PT Bank Negara Indonesia (Persero) Tbk	764,320	762,149
Others	282,055	63,051
	<u>2,737,995</u>	<u>2,492,905</u>
Time Deposits		
PT Bank Rakyat Indonesia (Persero) Tbk	316,350	-
PT Bank Net Syariah	71,230	-
PT Bank Negara Indonesia (Persero) Tbk	-	277,650
PT Bank Maybank Indonesia Tbk	-	166,590
PT Bank UOB Indonesia	-	28,184
Others	-	195,327
	<u>387,580</u>	<u>667,751</u>
	<u>40,742,343</u>	<u>19,719,007</u>

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**6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)**

c. By counterparty (continued):

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Foreign currencies (continued)		
Chinese Yuan		
Fixed Term		
Bank of China	205,862	179,476
Shanghai Pudong Development Bank	-	119,651
	<u>205,862</u>	<u>299,127</u>
Others		
Call Money	43,572	46,601
Fixed Term	1,004	1,074
	<u>44,576</u>	<u>47,675</u>
Total (Note 63b.(iv))	<u>40,992,781</u>	<u>20,065,809</u>
Total counterparty placements	79,813,369	37,616,435
Less: allowance for impairment losses	(46,772)	(47,675)
<b>Net</b>	<b><u>79,766,597</u></b>	<b><u>37,568,760</u></b>

d. Average interest rate (yield) per annum:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Rupiah	2.09%	1.40%
Foreign currencies	0.29%	2.06%

e. Movements of allowance for impairment losses on placements with other banks:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Beginning balance	47,675	50,338
First Implementation of SFAS 71 (Note 68)	2,960	-
Reversal during the year (Note 46)	(8,952)	(51)
Others <sup>1)</sup>	5,089	(2,612)
<b>Ending balance</b>	<b><u>46,772</u></b>	<b><u>47,675</u></b>

<sup>1)</sup> Including effect of foreign currency translation.

	<b>December 31, 2020</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Beginning balance	-	-	47,675	47,675
First implementation of SFAS 71 (Note 68)	2,960	-	-	2,960
Beginning Balance SFAS 71	2,960	-	47,675	50,635
Net remeasurement of losses allowance	(44)	-	(7,605)	(7,649)
New financial assets originated or purchased	97	-	-	97
Financial assets derecognised	(1,400)	-	-	(1,400)
Total reversal during the year	(1,347)	-	(7,605)	(8,952)
Others	582	-	4,507	5,089
<b>Ending balance</b>	<b><u>2,195</u></b>	<b><u>-</u></b>	<b><u>44,577</u></b>	<b><u>46,772</u></b>

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**6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)**

- e. Movements of allowance for impairment losses on placements with other banks (continued):

Management believes that the allowance for impairment losses on placements with Bank Indonesia and other banks is adequate.

- f. Information in respect of classification of “non-impaired” and “impaired” is disclosed in Note 63A.
- g. Bank Mandiri has a placement with a financial institution (in liquidation), which has been classified as loss or “impaired”. Bank Mandiri’s claims that have been approved by the Trustee based on the creditors meeting on November 5, 2009 amounted to EUR16,395,092 (full amount) for the placement. On March 10, 2010, November 24, 2010, September 6, 2012, January 23, 2014 and September 11, 2020 the Trustee has paid a portion of the claims (interim distribution) to Bank Mandiri, after a net-off with the balance of demand deposit, interbank call money and L/C UPAS payable of the Subsidiary to the financial institution, the balance of Bank Mandiri's placement with the financial institution (in liquidation) as of December 31, 2020 and 2019 were EUR2,586,472 (full amount), respectively. As of December 31, 2020 and 2019, Bank Mandiri has established full allowance for impairment losses on the remaining outstanding balance of placement with the financial institution.
- h. As of December 31, 2020 and 2019, placements with a balance of USD70,000 (full amount) were pledged for loan facilities received from other banks (Note 36e).

**7. MARKETABLE SECURITIES**

- a. By purpose, related parties and third parties:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Marketable securities		
Related parties (Note 57):		
Fair value through profit or loss	1,519,439	2,834,117
Fair value through other comprehensive income	8,603,253	-
Amortised cost	5,100,700	-
At cost <sup>)</sup>	1,613,212	1,922,915
Available for sale	-	8,626,405
Held to maturity	-	5,158,874
	<u>16,836,604</u>	<u>18,542,311</u>
Third parties:		
Fair value through profit or loss	6,673,446	4,637,866
Fair value through other comprehensive income	10,096,773	-
Amortised cost	3,477,555	-
At cost <sup>)</sup>	16,116,032	11,952,894
Available for sale	-	11,140,087
Held to maturity	-	2,882,674
	<u>36,363,806</u>	<u>30,613,521</u>

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**7. MARKETABLE SECURITIES (continued)**

a. By purpose, related parties and third parties (continued):

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Investments in unit-link contracts **)		
Related parties (Note 57):		
Fair value through profit or loss	9,116,532	8,834,946
Third parties:		
Fair value through profit or loss	17,242,604	13,176,134
	<u>26,359,136</u>	<u>22,011,080</u>
<b>Total</b>	<u>79,559,546</u>	<u>71,166,912</u>
<b>Add/(Less):</b>		
Unamortised discounts	(2,207)	(5,654)
Unrealised gain on increase in fair value of marketable securities	483,464	171,648
Allowance for impairment losses	(140,033)	(69,538)
	<u>341,224</u>	<u>96,456</u>
<b>Net</b>	<u><b>79,900,770</b></u>	<u><b>71,263,368</b></u>

<sup>1)</sup> Marketable securities owned by Subsidiaries.

<sup>2)</sup> Investments in unit-link contracts are investments owned by policyholders of unit-link contracts of Subsidiary's which are presented at fair value.

Movements on marketable securities classified as amortised cost for December 31, 2020:

	<u>December 31, 2020</u>				
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Sharia<sup>1)</sup></u>	<u>Total</u>
<b>Amortised cost</b>					
Beginning balance	7,965,552	68,195	2,147	13,875,809	21,911,703
Remeasurement	(31,838)	-	-	-	(31,838)
New purchased financial assets	3,826,832	149,949	-	17,729,243	21,706,024
Matured or sold of financial assets	(3,219,580)	(92,561)	(2,147)	(13,875,809)	(17,190,097)
Total increase/(decrease) during the year	575,414	57,388	(2,147)	3,853,434	4,484,089
Others	(90,500)	-	-	-	(90,500)
<b>Ending balance</b>	<u><b>8,450,466</b></u>	<u><b>125,583</b></u>	<u><b>-</b></u>	<u><b>17,729,243</b></u>	<u><b>26,305,292</b></u>

<sup>1)</sup> Not implement SFAS 71

Movements on marketable securities classified as fair value through other comprehensive income (all securities classified as fair value through other comprehensive income are stage 1) for December 31, 2020:

	<u>Carrying amount</u>	<u>Expected Credit loss<sup>1)</sup></u>
<b>Fair value through other comprehensive income</b>		
Beginning balance	19,901,176	14,437
Remeasurement	93,671	(4,519)
New purchased financial assets	3,162,221	1,593
Matured or sold financial assets	(4,321,387)	(828)
Increase from fair value	311,816	-
<b>Ending balance</b>	<u><b>19,147,497</b></u>	<u><b>10,683</b></u>

<sup>1)</sup> Allowance for impairment losses on securities classified as fair value through other comprehensive income stated on other comprehensive income due to the carrying amount disclosed at fair value

These consolidated financial statements are originally issued in the Indonesian language.

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**7. MARKETABLE SECURITIES (continued)**

b. By type, currency and Bank Indonesia's collectibility:

	December 31, 2020						
	Cost/ nominal value/ fair value <sup>1)</sup>	Unamortised premiums/ (discounts)	Unrealised gains/ (losses)	Fair value/at cost/amortised cost <sup>2)</sup>			
				Current	Substandard	Loss	Total
Rupiah							
Fair value through profit or loss							
<u>Marketable securities</u>							
Bonds	1,066,638	-	16,310	1,082,948	-	-	1,082,948
Investments in mutual fund units	303,431	-	-	303,431	-	-	303,431
Certificates of Bank Indonesia	300,000	-	1,041	301,041	-	-	301,041
Shares	313,038	-	-	313,038	-	-	313,038
Negotiable certificate of deposit	928,259	-	18,348	946,607	-	-	946,607
Export bills, asset-backed security and others <sup>3)</sup>	26,148	-	(1,425)	24,723	-	-	24,723
	<u>2,937,514</u>	<u>-</u>	<u>34,274</u>	<u>2,971,788</u>	<u>-</u>	<u>-</u>	<u>2,971,788</u>
<u>Investments in unit-link contracts <sup>4)</sup></u>							
Shares	21,787,074	-	-	21,787,074	-	-	21,787,074
Investments in mutual fund units	550,776	-	-	550,776	-	-	550,776
Bonds	2,027	-	-	2,027	-	-	2,027
	<u>22,339,877</u>	<u>-</u>	<u>-</u>	<u>22,339,877</u>	<u>-</u>	<u>-</u>	<u>22,339,877</u>
	<u>25,277,391</u>	<u>-</u>	<u>34,274</u>	<u>25,311,665</u>	<u>-</u>	<u>-</u>	<u>25,311,665</u>
Fair value through other comprehensive income							
Investments in mutual fund units	3,716,158	-	31,385	3,747,543	-	-	3,747,543
Bonds	4,867,541	-	119,756	4,987,297	-	-	4,987,297
Share	920	-	-	920	-	-	920
Export bills, asset-backed security and others <sup>3)</sup>	158,374	-	3,056	161,430	-	-	161,430
	<u>8,742,993</u>	<u>-</u>	<u>154,197</u>	<u>8,897,190</u>	<u>-</u>	<u>-</u>	<u>8,897,190</u>
Amortised cost							
Bonds	6,560,620	36	-	6,560,656	-	-	6,560,656
Medium Term Notes	245,000	-	-	245,000	-	-	245,000
Export bills, asset-backed security and others <sup>3)</sup>	745,756	-	-	745,756	-	-	745,756
	<u>7,551,376</u>	<u>36</u>	<u>-</u>	<u>7,807,412</u>	<u>-</u>	<u>-</u>	<u>7,807,412</u>
Investment in the mutual fund units	245,000	-	-	245,000	-	-	245,000
	<u>7,796,376</u>	<u>36</u>	<u>-</u>	<u>7,796,412</u>	<u>-</u>	<u>-</u>	<u>7,796,412</u>
At cost <sup>5)</sup>							
Sharia Corporate bonds	1,930,601	-	-	1,930,601	-	-	1,930,601
Certificate of Bank Indonesia sharia	3,841,098	-	-	3,841,098	-	-	3,841,098
Sukuk BI	11,905,604	-	-	11,905,604	-	-	11,905,604
Bonds	-	-	-	-	-	-	-
Export bills	51,941	-	-	51,941	-	-	51,941
	<u>17,729,244</u>	<u>-</u>	<u>-</u>	<u>17,729,244</u>	<u>-</u>	<u>-</u>	<u>17,729,244</u>
<b>Total</b>	<b>59,546,004</b>	<b>36</b>	<b>188,471</b>	<b>59,734,511</b>	<b>-</b>	<b>-</b>	<b>59,734,511</b>
Foreign currencies							
Fair value through profit or loss							
<u>Marketable securities</u>							
Bonds							
Treasury bills	758,241	-	1,357	759,598	-	-	759,598
Certificates of Bank Indonesia	4,497,130	-	362	4,497,492	-	-	4,497,492
	<u>5,255,371</u>	<u>-</u>	<u>1,719</u>	<u>5,257,090</u>	<u>-</u>	<u>-</u>	<u>5,257,090</u>
<u>Investments in unit-link contracts <sup>4)</sup></u>							
Investments in mutual fund units	4,019,259	-	-	4,019,259	-	-	4,019,259
Fair value through other comprehensive income							
Bonds	4,928,231	-	235,044	5,163,275	-	-	5,163,275
Treasury bills	1,776,762	-	64,815	1,841,577	-	-	1,841,577
Investment in the mutual fund units	3,252,040	-	(6,585)	3,245,455	-	-	3,245,455
	<u>9,957,033</u>	<u>-</u>	<u>293,274</u>	<u>10,250,307</u>	<u>-</u>	<u>-</u>	<u>10,250,307</u>
Amortised cost							
Bonds	154,551	(2,243)	-	152,308	-	-	152,308
Export bills	627,328	-	-	627,328	-	-	627,328
	<u>781,879</u>	<u>(2,243)</u>	<u>-</u>	<u>779,636</u>	<u>-</u>	<u>-</u>	<u>779,636</u>
<b>Total (Note 63B.(iv))</b>	<b>20,013,542</b>	<b>(2,243)</b>	<b>294,993</b>	<b>20,306,292</b>	<b>-</b>	<b>-</b>	<b>20,306,292</b>
	<u>79,559,546</u>	<u>(2,207)</u>	<u>483,464</u>	<u>80,040,803</u>	<u>-</u>	<u>-</u>	<u>80,040,803</u>
Less: allowance for impairment losses							(140,033)
<b>Net</b>							<b>79,900,770</b>

<sup>1)</sup> There is a reclassification of marketable securities in the form of asset backed Securities from the held to maturity in SFAS 55 became measured at fair value through profit or loss as a result of the implementation SFAS 71 amounted to Rp25,000 with fair values of Rp26,148 and Rp24,723 on January 1, 2020 and December 31, 2020.

<sup>2)</sup> Marketable securities classified at amortised cost presented at nominal value. Investments in unit-link contracts are investments owned by policyholders of Subsidiary's unit-link contracts which are presented at fair value.

<sup>3)</sup> Marketable securities classified at amortised cost are presented at amortised cost.

<sup>4)</sup> Marketable securities owned by Subsidiary

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**7. MARKETABLE SECURITIES (continued)**

b. By type, currency and Bank Indonesia's collectibility (continued):

	December 31, 2019						
	Cost/ nominal value/ fair value <sup>1)</sup>	Unamortised premiums/ (discounts)	Unrealised gains/ (losses)	Fair value/at cost/amortised cost <sup>2)</sup>			
				Current	Substandard	Loss	Total
Rupiah							
Fair value through profit or loss							
<u>Marketable securities</u>							
Bonds	2,515,695	-	10,778	2,526,473	-	-	2,526,473
Investments in mutual fund units	241,995	-	-	241,995	-	-	241,995
Certificates of Bank Indonesia	365,117	-	8,015	373,132	-	-	373,132
Shares	342,011	-	-	342,011	-	-	342,011
Negotiable certificate of deposit	226,227	-	2,833	229,060	-	-	229,060
	3,691,045	-	21,626	3,712,671	-	-	3,712,671
<u>Investments in unit-link contracts<sup>3)</sup></u>							
Shares	20,510,838	-	-	20,510,838	-	-	20,510,838
Investments in mutual fund units	1,493,474	-	-	1,493,474	-	-	1,493,474
Bonds	6,768	-	-	6,768	-	-	6,768
	22,011,080	-	-	22,011,080	-	-	22,011,080
	25,702,125	-	21,626	25,723,751	-	-	25,723,751
Available for sale							
Investments in mutual fund units	3,661,868	-	25,789	3,687,657	-	-	3,687,657
Bonds	5,760,130	-	(21,295)	5,738,835	-	-	5,738,835
Medium term notes	5,000	-	-	5,000	-	-	5,000
Share	11,103	-	-	11,103	-	-	11,103
	9,438,101	-	4,494	9,442,595	-	-	9,442,595
Held to maturity							
Bonds	5,549,008	(2,788)	-	5,546,220	-	-	5,546,220
Medium Term Notes	245,000	-	-	245,000	-	-	245,000
Export bills	738,858	-	-	738,858	-	-	738,858
Investment in the mutual fund units	245,000	-	-	245,000	-	-	245,000
	6,777,866	(2,788)	-	6,775,078	-	-	6,775,078
At cost <sup>4)</sup>							
Sharia Corporate bonds	3,163,600	-	-	3,163,600	-	-	3,163,600
Certificate of Bank Indonesia sharia	850,000	-	-	850,000	-	-	850,000
Sukuk BI	9,431,729	-	-	9,431,729	-	-	9,431,729
Bond	299,514	-	-	299,514	-	-	299,514
Export bills	130,966	-	-	130,966	-	-	130,966
	13,875,809	-	-	13,875,809	-	-	13,875,809
Total	55,793,901	(2,788)	26,120	55,817,233	-	-	55,817,233
Foreign currencies							
Fair value through profit or loss							
Bonds	685,865	-	6,403	692,268	-	-	692,268
Treasury bills	1,845,228	-	5,288	1,850,516	-	-	1,850,516
Certificates of Bank Indonesia	1,249,845	-	3,647	1,253,492	-	-	1,253,492
	3,780,938	-	15,338	3,796,276	-	-	3,796,276
Available for sale							
Bonds	4,617,241	-	135,804	4,753,045	-	-	4,753,045
Treasury bills	1,601,717	-	14,169	1,615,886	-	-	1,615,886
Certificates of Bank Indonesia	896,163	-	100	896,263	-	-	896,263
Investment in the mutual fund units	3,213,270	-	(19,883)	3,193,387	-	-	3,193,387
	10,328,391	-	130,190	10,458,581	-	-	10,458,581
Held to maturity							
Bonds	238,978	(2,866)	-	236,112	-	-	236,112
Export bills	1,024,704	-	-	1,022,232	-	2,472	1,024,704
	1,263,682	(2,866)	-	1,258,344	-	2,472	1,260,816
Total (Note 63B.(iv))	15,373,011	(2,866)	145,528	15,513,201	-	2,472	15,515,673
	71,166,912	(5,654)	171,648	71,330,434	-	2,472	71,332,906
Less: allowance for impairment losses							(69,538)
<b>Net</b>							<b>71,263,368</b>

<sup>1)</sup> Held to maturity securities are presented at nominal value. Investments in unit-link contracts are investments owned by policyholders of Subsidiary's unit-link contracts which are presented at fair value.

<sup>2)</sup> Held to maturity securities are presented at amortised cost.

<sup>3)</sup> Marketable securities owned by Subsidiary



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**7. MARKETABLE SECURITIES (continued)**

c. By maturity:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Marketable securities</u>		
Rupiah		
No maturity date	617,391	605,819
< 1 year	21,625,781	18,580,784
> 1 < 5 years	12,840,432	10,930,189
> 5 < 10 years	2,122,523	3,666,029
	<hr/>	<hr/>
Total	37,206,127	33,782,821
	<hr/>	<hr/>
Foreign currencies		
< 1 year	6,735,652	6,145,885
> 1 < 5 years	5,738,341	6,223,934
> 5 < 10 years	3,504,101	3,003,192
> 10 years	16,189	-
	<hr/>	<hr/>
Total	15,994,283	15,373,011
	<hr/>	<hr/>
<u>Investments in unit-link<sup>1)</sup></u>		
Rupiah		
< 1 year	-	3,403
> 1 < 5 years	2,027	3,365
No maturity date	22,337,850	22,004,312
	<hr/>	<hr/>
Foreign currencies		
No maturity date	4,019,259	-
	<hr/>	<hr/>
Total	26,359,136	22,011,080
	<hr/>	<hr/>
	79,559,546	71,166,912
Add/(less):		
Unamortised discounts	(2,207)	(5,654)
Unrealised gain on increase in fair value of marketable securities	483,464	171,648
Allowance for impairment losses	(140,033)	(69,538)
	<hr/>	<hr/>
	341,224	96,456
	<hr/>	<hr/>
<b>Net</b>	<b>79,900,770</b>	<b>71,263,368</b>
	<hr/> <hr/>	<hr/> <hr/>

<sup>1)</sup> Investments in unit-link contracts are investments owned by policyholders of Subsidiary's unit-link contracts, which are presented at fair value.

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**7. MARKETABLE SECURITIES (continued)**

d. By issuer:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Marketable securities</u>		
Corporate	23,120,421	23,745,463
Banks	5,988,899	6,288,446
Central Bank	20,543,831	12,792,855
Government	3,547,259	6,329,068
	<u>53,200,410</u>	<u>49,155,832</u>
<u>Investments in unit-link contracts <sup>*)</sup></u>		
Corporate	18,128,006	14,920,217
Bank	8,231,130	7,090,863
	<u>26,359,136</u>	<u>22,011,080</u>
<b>Total</b>	<b><u>79,559,546</u></b>	<b><u>71,166,912</u></b>
Add/(less):		
Unamortised discounts	(2,207)	(5,654)
Unrealised gain on increase in fair value of marketable securities	483,464	171,648
Allowance for impairment losses	(140,033)	(69,538)
	<u>341,224</u>	<u>96,456</u>
<b>Net</b>	<b><u>79,900,770</u></b>	<b><u>71,263,368</u></b>

<sup>\*)</sup> Investments in unit-link contracts are investments owned by policyholders of Subsidiary's unit-link contracts which are presented at fair value.

e. Details of bonds by rating:

	Rating Agencies	Rating <sup>*)</sup>		Fair value/at cost/amortised cost	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
<b>Rupiah</b>					
<b>Fair value through profit or loss</b>					
<u>Marketable securities</u>					
Bonds					
Government Treasury Bills <sup>*)</sup>	-	-	-	841,373	2,469,184
PT Jasa Marga (Persero) Tbk	Pefindo	idAA-	-	241,575	-
PT Sarana Multigriya Finansial	Pefindo	-	idAAA	-	47,691
Others	Various	-	Various	-	9,598
				<u>1,082,948</u>	<u>2,526,473</u>

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**7. MARKETABLE SECURITIES (continued)**

	Rating Agencies	Rating <sup>1)</sup>		Fair value/at cost/amortised cost	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
<b>Rupiah (continued)</b>					
<b>Fair value through profit or loss (continued)</b>					
<u>Investments in unit-link<sup>***)</sup></u>					
PT Timah Tbk	Pefindo	idA	-	2,027	-
PT Bank OCBC NISP Tbk.	Pefindo	-	idAAA	-	3,403
Others	Various	-	Various	-	3,365
				2,027	6,768
				1,084,975	2,533,241
<b>Fair value through other comprehensive income</b>					
<u>Marketable securities</u>					
Bonds					
PT Perusahaan Listrik Negara (Persero)	Pefindo	idAAA	-	1,146,412	-
PT Bank Rakyat Indonesia (Persero) Tbk.	Pefindo	idAAA	-	710,661	-
PT Hutama Karya (Persero)	Pefindo	idAAA(gg)	-	328,168	-
PT Sarana Multi Infrastruktur (Persero)	Pefindo	idAAA	-	468,798	-
Others	Various	Various	-	2,333,258	-
				4,987,297	-
<b>Amortised cost</b>					
<u>Marketable securities</u>					
Bonds					
PT Hutama Karya (Persero)	Pefindo	idAAA(gg)	-	730,036	-
PT Pelabuhan Indonesia IV (Persero)	Pefindo	idAA	-	695,000	-
PT Semen Indonesia (Persero) Tbk	Pefindo	idAA	-	575,000	-
PT Pembangunan Perumahan (Persero) Tbk	Pefindo	idA+	-	500,000	-
PT Pupuk Indonesia (Persero)	Pefindo	idAAA	-	500,000	-
PT Perusahaan Listrik Negara (Persero)	Pefindo	idAAA	-	460,000	-
PT Bank OCBC NISP Tbk	Pefindo	idAAA	-	200,786	-
PT Telkom Indonesia (Persero) Tbk	Pefindo	idAAA	-	222,254	-
Perum Pegadaian	Pefindo	idAAA	-	240,000	-
PT Bank Tabungan Negara (Persero) Tbk	Pefindo	idAA+	-	242,862	-
Others	Various	Various	-	2,194,718	-
				6,560,656	-

<sup>1)</sup> Information on rating of bonds were obtained from Bloomberg, which is based on ratings issued by the rating agencies, such as Pemeringkat Efek Indonesia (Pefindo), Standard and Poor's, Moody's and Fitch Ratings.

<sup>\*\*)</sup> No rating

<sup>\*\*\*)</sup> Investments in unit-link contracts are investments owned by policyholder of Subsidiary's unit link contracts which are presented at fair value.

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**7. MARKETABLE SECURITIES (continued)**

e. Details of bonds by rating (continued):

	Rating Agencies	Rating <sup>1)</sup>		Fair value/at cost/amortised cost	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
<b>Rupiah (continued)</b>					
<b>At cost<sup>2)</sup></b>					
<u>Marketable securities</u>					
Sharia Corporate Bonds					
Perusahaan					
PT Sarana Multi					
Infrastruktur					
(Persero)	Pefindo	idAAA <sub>(sy)</sub>	idAAA <sub>(sy)</sub>	815,000	300,000
PT Bio Farma (Persero)	Pefindo	idAAA <sub>(sy)</sub>	-	200,000	-
PT Kimia Farma Tbk	Pefindo	idAA <sub>(sy)</sub>	-	200,000	-
Medco Power					
Indonesia	Pefindo	idA <sub>(sy)</sub>	idA <sub>(sy)</sub>	140,600	140,600
PT Indosat Tbk	Pefindo	-	idAAA	-	185,000
Others	Various	Various	Various	1,930,599	2,538,000
				3,286,199	3,163,600
<b>Available for sale</b>					
<u>Marketable securities</u>					
Bonds					
PT Perusahaan Listrik					
Negara (Persero)	Pefindo	-	idAAA	-	1,092,709
PT Bank Rakyat					
Indonesia					
(Persero) Tbk	Pefindo	-	idAAA	-	697,453
PT Hutama Karya					
(Persero)	Pefindo	-	idAAA	-	308,756
PT Bank OCBC					
NISP Tbk	Pefindo	-	idAAA	-	299,920
PT Telekomunikasi					
Indonesia Tbk	Pefindo	-	idAAA	-	260,141
Perum Pegadaian	Pefindo	-	idAAA	-	233,321
PT Bank Tabungan					
Negara (Persero)					
Tbk	Pefindo	-	idAA+	-	214,629
PT Astra Sedaya					
Finance	Pefindo	-	idAAA	-	107,614
Others	Various	-	Various	-	2,524,292
				-	5,738,835
<b>Held to maturity</b>					
<u>Marketable securities</u>					
Bonds					
PT Hutama Karya					
(Persero)	Pefindo	-	idAAA	-	650,000
Jakarta Lingkar Barat	Pefindo	-	idA+	-	460,000
PT Sarana Multi					
Infrastruktur (Persero)	Pefindo	-	idAAA	-	449,000
PT Tunas Baru					
Lampung Tbk	Fitch	-	A+ (Idn)	-	426,000
PT Bank OCBC					
NISP Tbk	Pefindo	-	idAAA	-	105,000
Others	Various	-	Various	-	3,456,220
				-	5,546,220
<b>Total</b>				15,919,127	16,981,896

<sup>1)</sup> Information on rating of bonds were obtained from Bloomberg, which is based on ratings issued by the rating agencies, such as Pemeringkat Efek Indonesia (Pefindo), Standard and Poor's, Moody's and Fitch Ratings.

<sup>2)</sup> Marketable securities owned by Subsidiary.

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**7. MARKETABLE SECURITIES (continued)**

e. Details of bonds by rating (continued):

	Rating Agencies	Rating <sup>1)</sup>		Fair value/at cost/amortised cost	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
<b>Foreign currencies</b>					
<b>Fair value through profit and loss</b>					
<u>Marketable Securities</u>					
Bonds					
Agricultural Bank of China, HK	Moody's	-	A1	-	277,192
Bank of East Asia Limited	Moody's	-	Ba2 <sub>(hyb)</sub>	-	276,564
Others	Various	-	Various	-	138,512
				-	692,268
<b>Fair value through other comprehensive income</b>					
<u>Marketable securities</u>					
Bonds					
PT Pertamina (Persero)	Moody's	Baa2	-	4,032,544	-
PT Perusahaan Listrik Negara (Persero)	Moody's	Baa2	-	208,057	-
PT Bank Rakyat Indonesia (Persero) Tbk.	Moody's	-	-	434,703	-
Others	Various	Baa3	-	487,971	-
				5,163,275	-
<b>Amortised cost</b>					
<u>Marketable securities</u>					
Bonds					
PT Pelindo (Persero)	Moody's	Baa3	-	68,739	-
PT Pertamina (Persero)	Moody's	Baa3	-	42,478	-
Others	Various	-	-	41,091	-
				152,308	-
<b>Available for sale</b>					
<u>Marketable securities</u>					
Bonds					
PT Pertamina (Persero)	Moody's	-	Baa2	-	3,771,293
PT Perusahaan Listrik Negara (Persero)	Pefindo	-	idAAA	-	342,260
PT Bank Rakyat Indonesia (Persero) Tbk.	Moody's	-	Baa2	-	264,200
Others	Various	-	Various	-	375,292
				-	4,753,045
<b>Held to maturity</b>					
<u>Marketable securities</u>					
Bonds					
PT Pelindo (Persero)	Moody's	-	Baa2	-	67,564
PT Pertamina (Persero)	Moody's	-	Baa2	-	42,203
Others	Various	-	Various	-	126,345
				-	236,112
<b>Total</b>				<b>5,315,583</b>	<b>5,681,425</b>

<sup>1)</sup> Information on rating of bonds were obtained from Bloomberg, which is based on ratings issued by the rating agencies, such as Pemeringkat Efek Indonesia (Pefindo), Standard and Poor's, Moody's and Fitch Ratings

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**7. MARKETABLE SECURITIES (continued)**

- f. Average interest rate (yield) per annum:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah	8.47%	8.28%
Foreign currencies	7.32%	6.44%

- g. Movements of allowance for impairment losses on marketable securities:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Beginning balance	69,538	96,574
First implementation of SFAS 71 (Note 68)	40,540	-
Allowance/(reversal) during the year (Note 46)	71,884	(11,701)
Others <sup>1)</sup>	(41,929)	(15,335)
<b>Balance at end of year</b>	<b>140,033</b>	<b>69,538</b>

<sup>1)</sup> Including effect of foreign currency translation.

	<u>December 31, 2020</u>				
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Sharia<sup>1)</sup></u>	<u>Total</u>
Beginning balance	33,815	2,660	10	33,053	69,538
Impact of first implementation of SFAS 71 (Note 68)	21,294	18,487	759	-	40,540
Beginning Balance SFAS 71	55,109	21,147	769	33,053	110,078
Net remeasurement of losses allowance	(2,521)	5	-	(13,025)	(15,541)
New financial assets originated or purchased	50,125	97,506	-	-	147,631
Financial asset derecognised	(17,458)	(41,979)	(769)	-	(60,206)
Total allowance/(reversal) during the year	30,146	55,532	(769)	(13,025)	71,884
Others	(26,638)	(15,291)	-	-	(41,929)
<b>Ending balance</b>	<b>58,617</b>	<b>61,388</b>	<b>-</b>	<b>20,028</b>	<b>140,033</b>

<sup>1)</sup> Not implement SFAS 71 "Financial Instrument"

Management believes that the allowance for impairment losses on marketable securities is adequate.

- h. Information in respect of classification of "non-impaired" and "impaired" is disclosed in Note 63A.
- i. Investment in mutual fund of the Bank measured at fair value through other comprehensive income on December 31, 2020 and classified as available for sale on December 31, 2019:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Mutual Fund Syailendra USD 3	2,480,485	2,438,587
Protected Mutual Fund Panin 17	993,776	-
Protected Mutual Fund BNP Paribas Selaras VI	991,973	-
Mutual Fund Trimegah VI	788,357	787,550
Mutual Fund Syailendra USD 2	764,970	754,800
Protected Fund BNP Paribas Selaras V	501,222	500,150
Protected Mutual Fund Trimegah XI	472,215	460,162

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**7. MARKETABLE SECURITIES (continued)**

- i. Investment in mutual fund of the Bank measured at fair value through other comprehensive income on December 31, 2020 and classified as available for sale on December 31, 2019 (continued):

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Protected Mutual Fund Schroder IDR Income Plan II	-	655,815
Protected Mutual Fund Trimegah I	-	651,837
Protected Mutual Fund Emco XVI	-	485,068
Protected Mutual Fund SAM Sejahtera 3	-	136,365
	<b>6,992,998</b>	<b>6,870,334</b>

- j. As of December 31, 2020 and 2019, marketable securities with total nominal amount of USD1,000,000 and Rp444,242 were sold under repurchase agreements (Note 28), respectively.
- k. As of December 31, 2020 and 2019, marketable securities with total nominal amount of RpNil (full amount) and USD65,000,000 (full amount) are being pledged as collateral for fund borrowing from other banks (Note 36c).

**8. GOVERNMENT BONDS**

This account consists of bonds issued by Government of the Republic of Indonesia which are obtained by the Group from primary and secondary markets as of December 31, 2020 and 2019, with details as follows:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Related party (Note 57)		
<u>Government bonds</u>		
Fair value through profit or loss	7,896,257	5,040,996
Fair value through other comprehensive income <sup>*)</sup>	102,726,597	-
Amortised cost	39,423,358	-
At cost <sup>*)</sup>	8,690,979	8,079,331
Available for sale <sup>***)</sup>	-	96,664,454
Held to maturity	-	18,003,259
<u>Investments in unit-link contracts<sup>**)</sup></u>		
Fair value through profit or loss	953,436	1,212,260
	<b>159,690,627</b>	<b>129,000,300</b>

<sup>\*)</sup> Government bonds owned by Subsidiary are classified based on SFAS No. 110 "Accounting for Sukuk"

<sup>\*\*)</sup> Investments in unit-link contracts are investments owned by policyholders of Subsidiary's unit-link contracts which are presented at fair value.

<sup>\*\*\*)</sup> Including sukuk, project-based sukuk and retail bonds which are classified as at fair value through other comprehensive income.

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**8. GOVERNMENT BONDS (continued)**

a. By maturity

The government bonds, by remaining period of maturity, are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<b>Rupiah</b>		
<b>Fair value through profit or loss</b>		
<u>Government bonds</u>		
Less than 1 year	1,031,081	157,424
1 - 5 years	3,081,678	1,612,886
5 - 10 years	2,556,512	2,116,432
Over 10 years	1,084,179	890,273
	<u>7,753,450</u>	<u>4,777,015</u>
<u>Investments in unit-link**)</u>		
Less than 1 year	39,697	111,877
1 - 5 years	244,255	407,500
5 - 10 years	345,070	435,944
Over 10 years	324,414	256,939
	<u>953,436</u>	<u>1,212,260</u>
	<u>8,706,886</u>	<u>5,989,275</u>
<b>Fair value through other comprehensive income ***)</b>		
Less than 1 year	9,296,111	-
1 - 5 years	44,029,542	-
5 - 10 years	19,246,128	-
Over 10 years	5,590,838	-
	<u>78,162,619</u>	<u>-</u>
<b>Amortised cost</b>		
Less than 1 year	141,603	-
1 - 5 years	28,987,406	-
5 - 10 years	8,325,518	-
Over 10 years	371,822	-
	<u>37,826,349</u>	<u>-</u>
<b>At cost*)</b>		
Less than 1 year	3,600,173	4,123,431
1 - 5 years	4,873,350	3,955,900
	<u>8,473,523</u>	<u>8,079,331</u>
<b>Available for sale****)</b>		
Less than 1 year	-	16,094,598
1 - 5 years	-	33,183,555
5 - 10 years	-	22,633,274
Over 10 years	-	2,857,390
	<u>-</u>	<u>74,768,817</u>



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**8. GOVERNMENT BONDS (continued)**

a. By maturity (continued)

The government bonds, by remaining period of maturity, are as follows (continued):

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<b><u>Rupiah (continued)</u></b>		
<b>Held to maturity</b>		
Less than 1 year	-	9,970
1 - 5 years	-	15,487,132
5 - 10 years	-	325,088
Over 10 years	-	84,614
	-	15,906,804
Total	<u>133,169,377</u>	<u>104,744,227</u>
<b><u>Foreign currencies</u></b>		
<b>Fair value through profit or loss</b>		
Less than 1 year	1,284	1,138
1 - 5 years	35,647	154,134
5 - 10 years	104,108	73,808
Over 10 years	1,768	34,901
	<u>142,807</u>	<u>263,981</u>
<b>Fair value through other comprehensive income</b>		
Less than 1 year	3,231,394	-
1 - 5 years	15,268,145	-
5 - 10 Years	6,064,439	-
	<u>24,563,978</u>	<u>-</u>
<b>Amortised cost</b>		
Less than 1 year	70,587	-
1 - 5 years	1,171,365	-
5 - 10 years	355,057	-
	<u>1,597,009</u>	<u>-</u>
<b>At cost<sup>*)</sup></b>		
Less than 1 year	49,442	-
1 - 5 years	168,014	-
	<u>217,456</u>	<u>-</u>
<b>Available for sale</b>		
Less than 1 year	-	2,611,730
1 - 5 years	-	13,173,513
5 - 10 years	-	6,110,394
	-	<u>21,895,637</u>

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**8. GOVERNMENT BONDS (continued)**

a. By maturity (continued)

The government bonds, by remaining period of maturity, are as follows (continued):

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<b>Foreign currencies (continued)</b>		
<b>Held to maturity</b>		
Less than 1 year	-	778,531
1 - 5 years	-	651,387
5 - 10 years	-	666,537
	-	2,096,455
<b>Total (Note 63B.(iv))</b>	<b>26,521,250</b>	<b>24,256,073</b>
	<b>159,690,627</b>	<b>129,000,300</b>

<sup>\*)</sup> Government bonds owned by Subsidiary are classified based on SFAS No. 110 "Accounting for Sukuk"

<sup>\*\*)</sup> Investments in unit-link contracts are investments owned by policyholders of Subsidiary's unit-link contracts which are presented at fair value.

<sup>\*\*\*)</sup> Including sukuk, project-based sukuk and retail bonds which are classified as at fair value through other comprehensive income.

b. By type

	<u>December 31, 2020</u>				
	<u>Nominal/ cost/ amortised cost</u>	<u>Interest rates per annum</u>	<u>Fair value</u>	<u>Maturity dates</u>	<u>Frequency of interest payment</u>
<b>Rupiah</b>					
<b>Fair value through profit or loss</b>					
<b>Government bonds</b>					
Fixed rate bonds	7,323,500	5.45% - 12.90%	7,753,450	10/03/2021 - 15/05/2048	1 and 6 months
<b>Investments in unit-link contracts<sup>**)</sup></b>					
Fixed rate bonds	953,436	5,45% - 11.00%	953,436	10/03/2021 - 15/4/2040	6 months
<b>Fair value through other comprehensive income<sup>***)</sup></b>					
Fixed rate bonds	78,162,619	5.45% - 12.90%	78,162,619	10/03/2021 - 15/5/2048	1, 3 and 6 months
<b>Foreign Currencies</b>					
<b>Fair value through profit or loss</b>					
<b>Government bonds</b>					
Fixed rate bonds	123,781	2.30% - 6.63%	142,807	29/03/2021 - 15/04/2070	6 months
<b>Fair value through other comprehensive income</b>					
Fixed rate bonds	22,615,933	2.30% - 5.88%	24,563,978	29/03/2021 - 15/10/2030	6 months

<sup>\*\*)</sup> Investments in unit-link contracts are investments owned by policyholders of Subsidiary's unit-link contracts which are presented at fair value.

<sup>\*\*\*)</sup> Including sukuk, project-based sukuk and retail bonds which are classified as at fair value through other comprehensive income.

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**8. GOVERNMENT BONDS (continued)**

b. By type (continued)

December 31, 2020				
	Nominal/ cost/ amortised cost	Interest rates per annum	Maturity dates	Frequency of interest payment
<b>Rupiah</b>				
<b>Amortised cost</b>				
Fixed rate bonds	37,826,349	5.45%- 11.75%	15/07/2021 - 15/5/2037	6 months
<b>At cost<sup>1)</sup></b>				
Fixed rate bonds	8,473,523	5.45% - 8.75%	10/03/2021 - 15/10/2025	6 months
<b>Foreign currencies</b>				
<b>Amortised cost</b>				
Fixed rate bonds	1,597,009	2.30% - 5.88%	5/05/2021 - 8/01/2026	6 months
<b>At cost<sup>1)</sup></b>				
Fixed rate bonds	217,456	3.30% - 4.33%	29/03/2021 - 23/06/2025	6 months

<sup>1)</sup> Government bonds owned by Subsidiary are classified based on SFAS No. 110 "Accounting for Sukuk"

December 31, 2019					
	Nominal/ cost/ amortised cost	Interest rates per annum	Fair value	Maturity dates	Frequency of interest payment
<b>Rupiah</b>					
<b>Fair value through profit or loss</b>					
<b>Government bonds</b>					
Fixed rate bonds	4,508,379	5.45% - 12.90%	4,777,015	10/03/2020 - 15/05/2048	1 and 6 months
<b>Investments in unit-link contracts<sup>**)</sup></b>					
Fixed rate bonds	1,212,260	5.45% - 11.00%	1,212,260	10/03/2020 - 15/4/2039	1 and 6 months
<b>Available for sale<sup>***)</sup></b>					
Fixed rate bonds	58,696,103	5.45% - 12.90%	60,900,409	15/03/2020 - 15/02/2044	1, 3 and 6 months
Variable rate bonds	13,922,008	SPN 3 months	13,868,408	25/07/2020	3 months
	<b>72,618,111</b>		<b>74,768,817</b>		

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**8. GOVERNMENT BONDS (continued)**

b. By type (continued)

December 31, 2019					
	Nominal/ cost/ amortised cost	Interest rates per annum	Fair value	Maturity dates	Frequency of interest payment
<b>Foreign Currencies</b>					
<b>Fair value through profit or loss</b>					
<b>Government bonds</b>					
Fixed rate bonds	<b>238,279</b>	3.30% - 5.88%	<b>263,981</b>	13/03/2020 - 30/10/2049	6 and 9 months
<b>Available for sale</b>					
Fixed rate bonds	<b>20,791,312</b>	0.65% - 5.88%	<b>21,895,637</b>	13/03/2020 - 18/09/2029	6 and 12 months
December 31, 2019					
	Nominal/ cost/ amortised cost	Interest rates per annum	Maturity dates	Frequency of interest payment	
<b>Rupiah</b>					
<b>Held to maturity</b>					
Fixed rate bonds	<b>15,906,804</b>	5.45% - 11.75%	15/11/2020 - 15/05/2037	6 months	
<b>At cost<sup>1)</sup></b>					
Fixed rate bonds	<b>8,079,331</b>	5.00% - 7.23%	15/03/2020 - 15/01/2022	6 months	
<b>Foreign Currencies</b>					
<b>Held to maturity</b>					
Fixed rate bonds	<b>2,096,455</b>	0.90% - 5.88%	26/04/2020 - 08/01/2026	6 months	

<sup>1)</sup> Government bonds owned by Subsidiary are classified based on SFAS No. 110 "Accounting for Sukuk"

<sup>\*\*)</sup> Investments in unit-link contracts are investments owned by policyholders of Subsidiary's unit-link contracts which are presented at fair value.

<sup>\*\*\*)</sup> Including sukuk, project-based sukuk and retail bonds which are classified as at fair value through other comprehensive income.

c. Other information

As of December 31, 2020, Government Bonds with total nominal amount of USD57,000,000 (full amount) and Rp746,268 were sold under repurchase agreements (December 31, 2019: Rp3,563,112) (Note 28).

As of December 31, 2020, Government Bonds with total nominal amount of Rp3,236,072 and USD127,940,000 (full amount) (December 31, 2019: Rp944,322 and USD410,910,000 (full amount)) are being pledged as collateral for fund borrowings from other banks (Note 36c).

As of December 31, 2020 and 2019 Bank Indonesia's collectibility for government bonds is current.

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**9. OTHER RECEIVABLES - TRADE TRANSACTIONS**

a. By type, currency, related parties and third parties:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah		
Related parties (Note 57)		
Usance L/C payable at sight	334,180	195,177
Others	13,085,177	13,646,693
	<u>13,419,357</u>	<u>13,841,870</u>
Third parties		
Usance L/C payable at sight	547,587	850,175
Others	7,481,908	7,012,889
	<u>8,029,495</u>	<u>7,863,064</u>
<b>Total</b>	<u>21,448,852</u>	<u>21,704,934</u>
Foreign currencies		
Related parties (Note 57)		
Usance L/C payable at sight	477,695	177,840
Others	119,082	166,909
	<u>596,777</u>	<u>344,749</u>
Third parties		
Usance L/C payable at sight	604,896	1,350,469
Others	7,345,339	7,015,550
	<u>7,950,235</u>	<u>8,366,019</u>
<b>Total (Note 63B.(iv))</b>	<u>8,547,012</u>	<u>8,710,768</u>
	29,995,864	30,415,702
Less: allowance for impairment losses	(1,687,776)	(1,311,591)
<b>Net</b>	<u><b>28,308,088</b></u>	<u><b>29,104,111</b></u>

Movements in carrying amount of other receivables - trade transactions classified as amortised cost upon stages for the year ended December 31, 2020:

	<b>December 31, 2020</b>				
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Sharia<sup>1)</sup></u>	<u>Total</u>
<b>Amortised Cost</b>					
Beginning balance	28,831,891	316,214	1,223,517	44,080	30,415,702
Transfer to lifetime other receivables - unimpaired (stage 2)	(2,168)	2,168	-	-	-
Total beginning balance after transfer	28,829,723	318,382	1,223,517	44,080	30,415,702
Remeasurement of net carrying amount	429,998	102,628	(98,793)	-	433,833
New financial assets originated or purchased	66,639,528	4,727,929	37,002	-	71,404,459
Financial assets derecognised	(69,457,690)	(2,794,186)	(140,930)	-	(72,392,806)
Total increase/(decrease) during the year	(2,388,164)	2,036,371	(202,721)	-	(54,514)
Others	2,227	17,586	114,863	-	134,676
<b>Ending balance</b>	<u><b>26,443,786</b></u>	<u><b>2,372,339</b></u>	<u><b>1,135,659</b></u>	<u><b>44,080</b></u>	<u><b>29,995,864</b></u>

<sup>1)</sup> Not implement SFAS 71

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**9. OTHER RECEIVABLES - TRADE TRANSACTIONS (continued)**

b. By Bank Indonesia's collectibility:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Current	28,788,120	29,058,282
Special mention	28,005	90,149
Substandard	13,638	26,063
Doubtful	-	86,743
Loss	1,166,101	1,154,465
<b>Total</b>	<b>29,995,864</b>	<b>30,415,702</b>
Less: allowance for impairment losses	(1,687,776)	(1,311,591)
<b>Net</b>	<b>28,308,088</b>	<b>29,104,111</b>

c. By maturity:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
<b>Rupiah</b>		
Less than 1 month	4,717,213	5,575,977
1 - 3 months	10,107,618	10,012,245
3 - 6 months	6,098,493	5,872,356
6 - 12 months	335,505	51,053
Over 12 months	190,023	193,303
<b>Total</b>	<b>21,448,852</b>	<b>21,704,934</b>
<b>Foreign currencies</b>		
Less than 1 month	2,312,582	1,518,923
1 - 3 months	3,623,066	3,613,952
3 - 6 months	1,547,260	2,612,806
6 - 12 months	88,026	645
Over 12 months	976,078	964,442
<b>Total (Note 63B.(iv))</b>	<b>8,547,012</b>	<b>8,710,768</b>
	29,995,864	30,415,702
Less: allowance for impairment losses	(1,687,776)	(1,311,591)
<b>Net</b>	<b>28,308,088</b>	<b>29,104,111</b>

d. Movements of allowance for impairment losses on other receivables - trade transactions:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Beginning balance	1,311,591	1,603,598
First implementation of SFAS 71 (Note 68)	82,151	-
Allowance/(reversal) during the year (Note 46)	224,254	(262,928)
Others <sup>*)</sup>	69,780	(29,079)
<b>Ending balance</b>	<b>1,687,776</b>	<b>1,311,591</b>

<sup>\*)</sup> Included the effect of foreign currency translation.

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**9. OTHER RECEIVABLES - TRADE TRANSACTIONS (continued)**

- d. Movements of allowance for impairment losses on other receivables - trade transactions (continued):

	December 31, 2020				
	Stage 1	Stage 2	Stage 3	Sharia <sup>1)</sup>	Total
Beginning balance	69,323	58,631	1,139,557	44,080	1,311,591
Impact of first implementation of SFAS 71 (Note 68)	(17,438)	62,567	37,022	-	82,151
Beginning balance of SFAS 71	51,885	121,198	1,176,579	44,080	1,393,742
Transfer to:					
Lifetime expected credit losses - unimpaired (stage 2)	(365)	365	-	-	-
Total beginning balance after transfer	51,520	121,563	1,176,579	44,080	1,393,742
Net remeasurement of losses allowance	(24,420)	(16,188)	(46,727)	-	(87,335)
New financial assets originated or purchased	196,567	821,564	25,996	-	1,044,127
Financial assets derecognised	(169,692)	(483,143)	(79,703)	-	(732,538)
Total allowance/(reversal) during the year	2,455	322,233	(100,434)	-	224,254
Others	1,154	9,112	59,514	-	69,780
<b>Ending balance</b>	<b>55,129</b>	<b>452,908</b>	<b>1,135,659</b>	<b>44,080</b>	<b>1,687,776</b>

<sup>1)</sup> Not implement SFAS 71

Management believes that the allowance for impairment losses on other receivables - trade transactions is adequate.

- e. Information in respect of classification of “unimpaired” and “impaired” is disclosed in Note 63A.

**10. SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL**

- a. Securities purchased under agreements to resell

Type of securities	December 31, 2020				
	Starting date	Maturity date	Resale amount	Unamortised interest	Carrying amount
Third parties					
Rupiah					
Bond FR0043	29/12/2020	05/01/2021	2,003,840	835	2,003,005
Bond FR0070	28/12/2020	04/01/2021	1,976,940	617	1,976,323
Bond FR0070	28/12/2020	04/01/2021	1,966,196	614	1,965,582
Bond FR0070	28/12/2020	04/01/2021	1,955,451	610	1,954,841
Bond FR0070	28/12/2020	04/01/2021	1,944,707	607	1,944,100
Bond FR0053	29/12/2020	05/01/2021	1,868,444	778	1,867,666
Bond FR0081	29/12/2020	05/01/2021	1,833,490	763	1,832,727
Bond FR0081	29/12/2020	05/01/2021	1,828,467	762	1,827,705
Bond FR0063	28/12/2020	04/01/2021	1,822,231	569	1,821,662
Bond FR0081	29/12/2020	05/01/2021	1,823,443	759	1,822,684
Bond FR0081	29/12/2020	05/01/2021	1,818,420	757	1,817,663
Bond FR0081	29/12/2020	05/01/2021	1,813,397	755	1,812,642
Bond FR0044	29/12/2020	05/01/2021	1,775,585	739	1,774,846
Bond VR0046	30/12/2020	06/01/2021	1,773,962	923	1,773,039
Bond VR0046	30/12/2020	06/01/2021	1,769,167	920	1,768,247
Bond VR0050	30/12/2020	06/01/2021	1,761,758	917	1,760,841
Bond FR0043	29/12/2020	05/01/2021	1,752,603	730	1,751,873
Bond VR0062	30/12/2020	06/01/2021	1,746,065	909	1,745,156
Bond VR0062	30/12/2020	06/01/2021	1,741,307	906	1,740,401
Bond VR0062	30/12/2020	06/01/2021	1,736,550	904	1,735,646
Bond FR0081	29/12/2020	05/01/2021	1,733,025	722	1,732,303
Bond VR0062	30/12/2020	06/01/2021	1,731,792	901	1,730,891
Bond VR0062	30/12/2020	06/01/2021	1,727,034	898	1,726,136
Bond FR0071	28/12/2020	25/01/2021	1,162,769	2,737	1,160,032
Bond SPN256-010421	29/12/2020	05/01/2021	1,122,271	467	1,121,804
Bond FR0082	30/12/2020	27/01/2021	1,049,208	2,675	1,046,533
Bond FR0082	30/12/2020	27/01/2021	1,049,216	2,683	1,046,533

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**10. SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL (continued)**

a. Securities purchased under agreements to resell (continued)

Type of securities	December 31, 2020				
	Starting date	Maturity date	Resale amount	Unamortised interest	Carrying amount
Third parties (continued)					
Rupiah (continued)					
Bond FR0077	28/12/2020	04/01/2021	899,412	281	899,131
Bond SPN255-040321	29/12/2020	05/01/2021	624,286	260	624,026
Bond FR0078	30/11/2020	04/01/2021	546,750	162	546,588
Bond FR0072	08/12/2020	09/03/2021	544,188	3,613	540,575
Bond FR0073	27/11/2020	04/01/2021	452,367	134	452,233
Bond FR0068	14/12/2020	11/01/2021	337,328	334	336,994
Bond FR0078	07/12/2020	04/01/2021	328,285	97	328,188
Bond VR0062	30/12/2020	06/01/2021	323,522	169	323,353
Bond FR0082	04/12/2020	04/01/2021	307,961	92	307,869
Bond VR0037	08/12/2020	05/01/2021	305,181	31	305,150
Bond FR0078	28/12/2020	25/01/2021	294,476	695	293,781
Bond FR0088	02/12/2020	04/01/2021	287,583	-	287,583
Bond FR0081	29/12/2020	05/01/2021	272,330	113	272,217
Bond FR0082	14/12/2020	11/01/2021	252,992	175	252,817
Bond FR0083	30/09/2020	04/01/2021	250,184	79	250,105
Bond FR0053	29/12/2020	05/01/2021	238,055	99	237,956
Bond FR0071	02/12/2020	04/01/2021	230,071	68	230,003
Bond FR0065	04/12/2020	04/01/2021	205,304	-	205,304
Bond FR0080	30/12/2020	31/03/2021	214,098	1,883	212,215
Bond FR0080	30/12/2020	31/03/2021	214,103	1,888	212,215
Bond FR0080	30/12/2020	31/03/2021	214,082	1,868	212,214
Bond FR0080	30/12/2020	31/03/2021	214,087	1,873	212,214
Bond FR0080	30/12/2020	31/03/2021	214,092	1,878	212,214
Bond FR0078	04/09/2020	04/06/2021	109,552	1,797	107,755
Bond FR0078	04/09/2020	04/06/2021	109,536	1,788	107,748
Bond FR0078	04/09/2020	04/06/2021	109,512	1,775	107,737
Bond FR0082	11/12/2020	08/01/2021	104,293	72	104,221
Bond VR0036	04/09/2020	05/03/2021	97,081	653	96,428
Bond VR0036	04/09/2020	05/03/2021	97,071	650	96,421
Bond VR0036	04/09/2020	05/03/2021	97,062	647	96,415
Bond FR0057	04/09/2020	03/09/2021	90,893	2,379	88,514
Bond FR0054	08/12/2020	05/01/2021	78,689	31	78,658
Bond FR0078	04/09/2020	04/06/2021	65,258	1,084	64,174
Bond FR0076	25/11/2020	24/02/2021	48,923	262	48,661
Bond FR0080	12/06/2020	12/03/2021	48,330	415	47,915
Bond FR0080	02/12/2020	03/03/2021	17,247	104	17,143
Bond FR0076	25/11/2020	24/02/2021	13,699	74	13,625
Bond VR0036	04/09/2020	05/03/2021	3,237	22	3,215
<b>Total</b>			<b>55,148,458</b>	<b>54,002</b>	<b>55,094,456</b>

Type of securities	December 31, 2019				
	Starting date	Maturity date	Resale amount	Unamortised interest	Carrying amount
Third parties					
Rupiah					
Bond FR0078	09/12/2019	06/01/2020	310,973	217	310,756
Bond FR0061	31/12/2019	28/01/2020	245,590	924	244,666
Bond FR0061	11/12/2019	08/01/2020	244,472	239	244,233
Bond FR0077	23/12/2019	20/01/2020	204,085	540	203,545
Bond FR0059	06/12/2019	03/01/2020	191,411	54	191,357
Bond FR0064	26/12/2019	09/01/2020	169,051	200	168,851
Bond FR0063	10/12/2019	07/01/2020	140,383	117	140,266
Bond FR0063	13/12/2019	10/01/2020	140,351	177	140,174
Bond FR0063	17/12/2019	14/01/2020	116,729	212	116,517
Share	30/12/2019	21/01/2020	70,078	39	70,039
Share	19/11/2019	15/05/2020	45,699	32	45,667
Bond FR0068	13/09/2019	12/06/2020	26,252	647	25,605
Bond FR0068	13/09/2019	12/06/2020	15,757	392	15,365
Bond FR0068	25/10/2019	24/04/2020	13,810	218	13,592
Bond FR0052	01/11/2019	03/08/2020	10,516	312	10,204
Bond FR0063	18/10/2019	17/07/2020	9,845	282	9,563
Bond FR0072	01/11/2019	30/10/2020	5,180	217	4,963
<b>Total</b>			<b>1,960,182</b>	<b>4,819</b>	<b>1,955,363</b>



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**10. SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL (continued)**

a. Securities purchased under agreements to resell (continued)

Changes in carrying amount of securities purchased under agreements to resell classified as amortised cost upon stage 1 for the year ended December 31, 2020:

	Gross Carrying Amount	Allowance for impairment losses	Total
<b>Amortised cost</b>			
Beginning balace	1,955,363	-	1,955,363
New purchased financial assets	123,485,698	-	123,485,698
Matured or sold of financial assets	(70,346,605)	-	(70,346,605)
<b>Ending balance</b>	<b>55,094,456</b>	<b>-</b>	<b>55,094,456</b>

b. By Bank Indonesia's collectibility:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current	55,094,456	1,955,363

As of December 31, 2020 and 2019, there was no impairment therefore the allowance for impairment losses on securities purchased under agreements to resell was not provided.

c. Information in respect of classification of "non-impaired" and "impaired" is disclosed in Note 63A.

**11. DERIVATIVE RECEIVABLES AND PAYABLES**

As of December 31, 2020, the summary of derivative transactions is as follows:

Transactions	Notional amount (absolute Rupiah equivalent)	December 31, 2020	
		Derivative receivables	Derivative payables
<b>Related parties (Note 57)</b>			
<u>Foreign currencies related</u>			
1. Forward - buy			
United States Dollar	8,096,136	162,845	-
Other	17,608	-	69
2. Swap - buy			
United States Dollar	3,116,855	-	131,058
3. Swap - Sell			
United States Dollar	2,910,483	28,341	-
<u>Interest rate related</u>			
1. Swap - interest rate			
United States Dollar	-	8,790	-
		<u>199,976</u>	<u>131,127</u>

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**11. DERIVATIVE RECEIVABLES AND PAYABLES (continued)**

As of December 31, 2020, the summary of derivative transactions is as follows (continued):

Transactions	Notional amount (absolute Rupiah equivalent)	December 31, 2020	
		Derivative receivables	Derivative payables
<b>Third parties</b>			
<u>Foreign currencies related</u>			
1. Forward - buy			
United States Dollar	11,931,805	-	182,733
Others	1,121,944	9,015	4,505
2. Forward - sell			
United States Dollar	7,529,567	99,693	10,556
Others	833,466	2,781	-
3. Swap - buy			
United States Dollar	12,793,263	14	223,643
Others	386,463	3,025	-
4. Swap - sell			
United States Dollar	49,714,951	1,139,297	-
Others	2,643,389	434	33,400
5. Option - buy			
United States Dollar	398,751	3,231	-
Others	1,483,190	78,949	9,705
6. Option - sell			
United States Dollar	702,500	22,690	-
Others	81,676	58,324	-
<u>Interest rate related</u>			
1. Swap - interest rate			
United States Dollar		939,049	893,164
Others		22,469	81,673
Total third parties		2,378,971	1,439,379
<b>Total</b>		<b>2,578,947</b>	<b>1,570,506</b>

As of December 31, 2019, the summary of derivative transactions is as follows:

Transactions	Notional amount (absolute Rupiah equivalent)	December 31, 2019	
		Derivative receivables	Derivative payables
<b>Related parties (Note 57)</b>			
<u>Foreign currencies related</u>			
1. Forward - buy			
United States Dollar	28,390	-	565
2. Forward - sell			
United States Dollar	689,399	6,004	-
3. Swap - buy			
United States Dollar	1,003,247	-	2,315

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**11. DERIVATIVE RECEIVABLES AND PAYABLES (continued)**

As of December 31, 2019, the summary of derivative transactions is as follows (continued):

Transactions	Notional amount (absolute Rupiah equivalent)	December 31, 2019	
		Fair value	
		Derivative receivables	Derivative payables
<b>Related parties (Note 57)</b>			
<u>Foreign currencies related (continued)</u>			
4. Swap - sell			
United States Dollar	851,002	3,879	-
5. Option - buy			
United States Dollar	694,125	-	-
Others	1,041,188	-	10
<u>Interest rate related</u>			
1. Swap - interest rate			
United States Dollar	-	8,934	39,615
Total related parties		18,817	42,505
<b>Third parties</b>			
<u>Foreign currencies related</u>			
1. Forward - buy			
United States Dollar	6,042,889	-	86,753
Others	1,471,997	9,674	3,372
2. Forward - sell			
United States Dollar	4,570,919	28,623	4,703
Others	323,991	299	175
3. Swap - buy			
United States Dollar	17,283,615	1,283	321,964
Others	187,935	1,577	-
4. Swap - sell			
United States Dollar	52,549,644	841,657	960
Others	1,699,928	33	18,321
5. Option - buy			
United States Dollar	-	7,405	-
Others	-	44,675	15,703
6. Option - sell			
United States Dollar	-	18,645	-
Others	-	58,324	-
<u>Interest rate related</u>			
1. Swap - interest rate			
United States Dollar	-	559,360	525,557
Others	-	27,104	175,009
Total third parties		1,598,659	1,152,517
<b>Total</b>		<b>1,617,476</b>	<b>1,195,022</b>

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**11. DERIVATIVE RECEIVABLES AND PAYABLES (continued)**

As of December 31, 2020 and 2019, the Subsidiary has cross currency and interest rate swap contract which meet the criteria and effectively applied as cashflow hedge. The losses from fair value changes related to effective portion of cashflow hedge are recognised as other comprehensive income.

As of December 31, 2020 and 2019, the Bank Indonesia collectability for derivative receivables is current.

**12. LOANS AND SHARIA LOAN/FINANCING**

A. Details of loans and sharia loan/financing:

a. By currency, related parties and third parties:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah		
Related parties (Note 57)	144,490,740	138,616,038
Third parties	585,847,577	606,188,301
<b>Total</b>	<u>730,338,317</u>	<u>744,804,339</u>
Foreign currencies		
Related parties (Note 57)	29,532,488	32,768,083
Third parties	110,274,660	108,262,815
<b>Total (Note 63B.(iv))</b>	<u>139,807,148</u>	<u>141,030,898</u>
	870,145,465	885,835,237
Less: allowance for impairment losses	(62,271,102)	(29,988,393)
<b>Net</b>	<u><b>807,874,363</b></u>	<u><b>855,846,844</b></u>

b.1 By type:

	<u>December 31, 2020</u>		
	<u>Non-impaired<sup>(*)</sup></u>	<u>Impaired<sup>†</sup></u>	<u>Total</u>
Rupiah			
Working capital	226,646,447	17,641,372	244,287,819
Investment	184,345,297	7,265,006	191,610,303
Consumer	179,253,650	6,468,716	185,722,366
Government Program	42,857,176	105,278	42,962,454
Syndicated	38,463,427	857,417	39,320,844
Employees	20,979,433	192,323	21,171,756
Export	4,944,482	318,293	5,262,775
<b>Total</b>	<u>697,489,912</u>	<u>32,848,405</u>	<u>730,338,317</u>

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**12. LOANS AND SHARIA LOAN/FINANCING (continued)**

A. Details of loans and sharia loan financing (continued):

b.1 By type (continued):

	December 31, 2020		
	Non-impaired <sup>*)</sup>	Impaired <sup>*)</sup>	Total
Foreign currencies			
Investment	60,243,114	523,538	60,766,652
Syndicated	48,780,110	456,812	49,236,922
Working capital	17,717,468	4,231,888	21,949,356
Export	5,736,687	236	5,736,923
Consumer	2,117,030	265	2,117,295
Total (Note 63B.(iv))	134,594,409	5,212,739	139,807,148
	832,084,321	38,061,144 <sup>1)</sup>	870,145,465
Less: allowance for impairment losses	(37,586,516)	(24,684,586) <sup>2)</sup>	(62,271,102)
<b>Net</b>	<b>794,497,805</b>	<b>13,376,558<sup>3)</sup></b>	<b>807,874,363</b>

<sup>\*)</sup> Include in category "impaired portfolio" are loans classified as stage 3 in accordance with SFAS 71 "Financial Instrument", loans with non performing loan collectibility and loans evaluated by using individual and collective assessment of Subsidiary engaged in sharia banking amounted to Rp12,306,323 with allowance for impairment losses amounted to Rp2,470,596 which is calculated based on Bank Indonesia Regulation and SFAS No. 102 (Revised 2019) (Note 2c.(H).(2)).

<sup>\*\*)</sup> Including loan of Subsidiary engaged in sharia banking in which allowance for impairment losses is calculated based on Bank Indonesia Regulation and SFAS No. 102 (Revised 2019).

<sup>1)</sup> Loans evaluated by using individual and collective assessment are amounted to Rp22,731,937 and Rp15,329,207, respectively.

<sup>2)</sup> Allowance for impairment losses calculated by using individual and collective assessment are amounted to Rp20,202,830 and Rp4,481,756, respectively.

<sup>3)</sup> Loans - net evaluated by using individual and collective assessment are amounted to Rp2,529,107 and Rp10,847,451, respectively.

	December 31, 2019		
	Non-impaired <sup>*)</sup>	Impaired <sup>*)</sup>	Total
Rupiah			
Working capital	235,036,504	31,978,346	267,014,850
Consumer	196,473,705	4,392,393	200,866,098
Investment	161,835,888	22,395,794	184,231,682
Syndicated	37,152,938	818,667	37,971,605
Government Program	33,230,266	172,178	33,402,444
Employees	15,148,158	143,696	15,291,854
Export	5,787,926	237,880	6,025,806
Total	684,665,385	60,138,954	744,804,339
Foreign currencies			
Investment	52,496,133	10,144,085	62,640,218
Syndicated	39,512,395	1,626,646	41,139,041
Working capital	20,326,628	6,273,769	26,600,397
Export	9,293,815	440,778	9,734,593
Consumer	916,203	-	916,203
Government Program	446	-	446
Total (Note 63B.(iv))	122,545,620	18,485,278	141,030,898
	807,211,005	78,624,232 <sup>1)</sup>	885,835,237
Less: allowance for impairment losses	(6,600,528)	(23,387,865) <sup>2)</sup>	(29,988,393)
<b>Net</b>	<b>800,610,477</b>	<b>55,236,367<sup>3)</sup></b>	<b>855,846,844</b>

<sup>\*)</sup> Included in "impaired portfolio" are (i) loans classified as substandard, doubtful and loss (non-performing loans) in accordance with Bank Indonesia regulation, and (ii) all restructured loans (iii) others based on specific consideration (Note 2c.(H).(a)).

<sup>\*\*)</sup> Including loan of Subsidiary engaged in sharia banking in which allowance for impairment losses is calculated based on Bank Indonesia Regulation and SFAS No. 102 (Revised 2019).

<sup>1)</sup> Loans evaluated by using individual and collective assessment are amounted to Rp64,045,105 and Rp14,579,127, respectively.

<sup>2)</sup> Allowance for impairment losses calculated by using individual and collective assessment are amounted to Rp20,382,564 and Rp3,005,301, respectively.

<sup>3)</sup> Loans - net evaluated by using individual and collective assessment are amounted to Rp43,662,541 and Rp11,573,826, respectively.

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**12. LOANS AND SHARIA LOAN/FINANCING (continued)**

A. Details of loans and sharia loan financing (continued):

b.2 By type and Bank Indonesia's collectibility:

December 31, 2020						
	Current	Special mention	Sub- standard	Doubtful	Loss	Total
Rupiah						
Working capital	216,353,434	12,276,441	1,667,530	388,284	13,602,130	244,287,819
Investment	177,671,067	10,878,410	326,452	55,783	2,678,591	191,610,303
Consumer	176,166,176	6,575,588	580,819	761,227	1,638,556	185,722,366
Government program	42,227,102	654,469	18,859	23,054	38,970	42,962,454
Syndicated	39,320,844	-	-	-	-	39,320,844
Employees	21,033,402	128,343	245	608	9,158	21,171,756
Export	4,853,150	91,331	94,917	4,314	219,063	5,262,775
<b>Total</b>	<b>677,625,175</b>	<b>30,604,582</b>	<b>2,688,822</b>	<b>1,233,270</b>	<b>18,186,468</b>	<b>730,338,317</b>
Foreign currencies						
Investment	53,609,557	6,822,678	3,313	-	331,104	60,766,652
Syndicated	48,780,110	-	164,466	243,495	48,851	49,236,922
Working capital	16,514,519	1,204,410	17,235	-	4,213,192	21,949,356
Export	5,730,579	6,108	-	-	236	5,736,923
Consumer	2,117,030	-	-	-	265	2,117,295
<b>Total (Note 63B.(iv))</b>	<b>126,751,795</b>	<b>8,033,196</b>	<b>185,014</b>	<b>243,495</b>	<b>4,593,648</b>	<b>139,807,148</b>
	804,376,970	38,637,778	2,873,836	1,476,765	22,780,116	870,145,465
Less: allowance for impairment losses	(23,116,987)	(15,897,485)	(1,929,848)	(997,684)	(20,329,098)	(62,271,102)
<b>Net</b>	<b>781,259,983</b>	<b>22,740,293</b>	<b>943,988</b>	<b>479,081</b>	<b>2,451,018</b>	<b>807,874,363</b>
December 31, 2019						
	Current	Special mention	Sub- standard	Doubtful	Loss	Total
Rupiah						
Working capital	239,512,972	15,254,329	2,947,221	1,718,558	7,581,770	267,014,850
Consumer	189,420,026	8,378,886	612,574	726,277	1,728,335	200,866,098
Investment	172,986,123	7,973,807	496,631	825,845	1,949,276	184,231,682
Syndicated	37,971,605	-	-	-	-	37,971,605
Government program	32,639,987	610,530	41,034	62,084	48,809	33,402,444
Employees	15,190,501	92,345	114	352	8,542	15,291,854
Export	5,770,213	128,187	-	7,467	119,939	6,025,806
<b>Total</b>	<b>693,491,427</b>	<b>32,438,084</b>	<b>4,097,574</b>	<b>3,340,583</b>	<b>11,436,671</b>	<b>744,804,339</b>
Foreign currencies						
Investment	55,768,911	6,175,397	45,528	-	650,382	62,640,218
Syndicated	40,672,957	-	164,585	-	301,499	41,139,041
Working capital	24,804,085	1,358,287	148,827	-	289,198	26,600,397
Export	9,353,706	47,341	18,402	314,911	233	9,734,593
Consumer	915,937	266	-	-	-	916,203
Government program	446	-	-	-	-	446
<b>Total (Note 63B.(iv))</b>	<b>131,516,042</b>	<b>7,581,291</b>	<b>377,342</b>	<b>314,911</b>	<b>1,241,312</b>	<b>141,030,898</b>
	825,007,469	40,019,375	4,474,916	3,655,494	12,677,983	885,835,237
Less: allowance for impairment losses	(8,369,625)	(8,162,433)	(1,733,492)	(1,297,759)	(10,425,084)	(29,988,393)
<b>Net</b>	<b>816,637,844</b>	<b>31,856,942</b>	<b>2,741,424</b>	<b>2,357,735</b>	<b>2,252,899</b>	<b>855,846,844</b>

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**12. LOANS AND SHARIA LOAN/FINANCING (continued)**

A. Details of loans and sharia loan/financing (continued):

c.1 By economic sector:

	December 31, 2020		
	Non-impaired <sup>**)</sup>	Impaired <sup>*)</sup>	Total
Rupiah			
Trading, restaurant and hotel	102,125,111	5,528,733	107,653,844
Manufacturing	83,127,773	12,201,180	95,328,953
Agriculture	85,973,659	2,876,766	88,850,425
Business services	69,747,149	2,697,731	72,444,880
Construction	62,661,179	1,040,869	63,702,048
Transportation, warehouse and communication	44,657,793	1,122,075	45,779,868
Social services	20,761,723	208,853	20,970,576
Electricity, gas and water	18,044,760	191,591	18,236,351
Mining	5,676,139	93,097	5,769,236
Others	204,714,626	6,887,510	211,602,136
<b>Total</b>	<b>697,489,912</b>	<b>32,848,405</b>	<b>730,338,317</b>
Foreign currencies			
Mining	38,043,276	3,292,650	41,335,926
Manufacturing	35,564,144	1,116,986	36,681,130
Electricity, gas and water	15,959,379	407,961	16,367,340
Social services	13,488,728	-	13,488,728
Trading, restaurant and hotel	9,575,473	80,785	9,656,258
Transportation, warehouse and communication	8,502,566	247,997	8,750,563
Agriculture	6,355,615	-	6,355,615
Business services	4,513,452	66,012	4,579,464
Construction	72,486	-	72,486
Others	2,519,290	348	2,519,638
<b>Total (Note 63B.(iv))</b>	<b>134,594,409</b>	<b>5,212,739</b>	<b>139,807,148</b>
	832,084,321	38,061,144 <sup>1)</sup>	870,145,465
Less: allowance for impairment losses	(37,586,516)	(24,684,586) <sup>2)</sup>	(62,271,102)
<b>Net</b>	<b>794,497,805</b>	<b>13,376,558<sup>3)</sup></b>	<b>807,874,363</b>

<sup>\*)</sup> Included in "impaired portfolio" are loans classified as stage 3 in accordance with SFAS 71 "Financial Instrument", loans with non performing loan collectibility and loans evaluated by using individual and collective assessment of Subsidiary engaged in sharia banking amounted to Rp12,306,323 with allowance for impairment losses amounted to Rp2,470,596 which is calculated based on Bank Indonesia Regulation and SFAS No. 102 (Revised 2019) (Note 2c.(H).(2)).

<sup>\*\*)</sup> Including loan of Subsidiary engaged in sharia banking in which allowance for impairment losses is calculated based on Bank Indonesia Regulation and SFAS No. 102 (Revised 2019).

1) Loans evaluated by using individual and collective assessment are amounted to Rp22,731,937 and Rp15,329,207, respectively.

2) Allowance for impairment losses calculated by using individual and collective assessment are amounted to Rp20,202,830 and Rp4,481,756, respectively.

3) Loans - net evaluated by using individual and collective assessment are amounted to Rp2,529,107 and Rp10,847,451, respectively.

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**12. LOANS AND SHARIA LOAN/FINANCING (continued)**

A. Details of loans and sharia loan/financing (continued):

c.1 By economic sector (continued):

	December 31, 2019		
	Non-impaired <sup>**)</sup>	Impaired <sup>*)</sup>	Total
Rupiah			
Manufacturing	87,717,052	21,604,273	109,321,325
Trading, restaurant and hotel	95,334,533	9,240,397	104,574,930
Agriculture	65,028,294	13,805,373	78,833,667
Business services	75,269,739	2,929,403	78,199,142
Construction	51,390,959	2,525,236	53,916,195
Transportation, warehouse and communication	40,168,975	3,877,269	44,046,244
Electricity, gas and water	25,954,835	380,107	26,334,942
Social services	20,977,417	520,188	21,497,605
Mining	4,121,571	642,852	4,764,423
Others	218,702,010	4,613,856	223,315,866
<b>Total</b>	<b>684,665,385</b>	<b>60,138,954</b>	<b>744,804,339</b>
Foreign currencies			
Mining	39,792,830	4,263,662	44,056,492
Manufacturing	21,685,056	11,647,252	33,332,308
Electricity, gas and water	15,993,066	847,207	16,840,273
Trading, restaurant and hotel	14,366,413	71,383	14,437,796
Social services	9,734,687	-	9,734,687
Agriculture	8,588,655	429	8,589,084
Business services	5,799,921	479,975	6,279,896
Transportation, warehouse and communication	4,995,523	1,175,288	6,170,811
Construction	103,871	-	103,871
Others	1,485,598	82	1,485,680
<b>Total (Note 63B.(iv))</b>	<b>122,545,620</b>	<b>18,485,278</b>	<b>141,030,898</b>
	807,211,005	78,624,232 <sup>1)</sup>	885,835,237
Less: allowance for impairment losses	(6,600,528)	(23,387,865) <sup>2)</sup>	(29,988,393)
<b>Net</b>	<b>800,610,477</b>	<b>55,236,367<sup>3)</sup></b>	<b>855,846,844</b>

\*) Included in "impaired portfolio" are (i) loans classified as substandard, doubtful and loss (non-performing loans) in accordance with Bank Indonesia regulation, and (ii) all restructured loans (iii) others based on specific consideration (Note 2c.(H).(a)).

\*\*\*) Including loan of Subsidiary engaged in sharia banking in which allowance for impairment losses is calculated based on Bank Indonesia Regulation and SFAS No. 102 (Revised 2019).

1) Loans evaluated by using individual and collective assessment are amounted to Rp64,045,105 and Rp14,579,127, respectively.

2) Allowance for impairment losses calculated by using individual and collective assessment are amounted to Rp20,382,564 and Rp3,005,301, respectively.

3) Loans - net evaluated by using individual and collective assessment are amounted to Rp43,662,541 and Rp11,573,826, respectively.



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**12. LOANS AND SHARIA LOAN/FINANCING (continued)**

A. Details of loans and sharia loan/financing (continued):

c.2 By economic sector and Bank Indonesia's collectibility:

	December 31, 2020					Total
	Current	Special mention	Sub- standard	Doubtful	Loss	
Rupiah						
Trading, restaurant, and hotel	100,213,195	3,026,320	672,086	155,701	3,586,542	107,653,844
Manufacturing	73,445,953	9,782,069	1,107,207	4,953	10,988,771	95,328,953
Agriculture	86,697,504	1,929,239	37,329	75,532	110,821	88,850,425
Business service	68,638,067	3,206,977	165,753	144,623	289,460	72,444,880
Construction	60,960,153	2,473,954	18,533	7,535	241,873	63,702,048
Transportation, warehousing and communications	42,368,470	2,388,153	28,977	38,540	955,728	45,779,868
Social service	20,438,283	326,742	20,042	20,179	165,330	20,970,576
Electricity, gas and water	17,536,991	547,944	43	98	151,275	18,236,351
Mining	5,584,121	110,796	57,415	166	16,738	5,769,236
Others	201,742,438	6,812,388	581,437	785,943	1,679,930	211,602,136
<b>Total</b>	<b>677,625,175</b>	<b>30,604,582</b>	<b>2,688,822</b>	<b>1,233,270</b>	<b>18,186,468</b>	<b>730,338,317</b>
Foreign currencies						
Mining	37,689,431	353,845	3,313	-	3,289,337	41,335,926
Manufacturing	29,067,329	6,496,815	-	-	1,116,986	36,681,130
Electricity, gas and water	15,959,379	-	164,466	243,495	-	16,367,340
Social service	13,488,728	-	-	-	-	13,488,728
Trading, restaurant, and hotel	9,462,804	112,669	-	-	80,785	9,656,258
Transportation, warehousing and communications	7,682,163	1,010,985	-	-	57,415	8,750,563
Agriculture	6,355,615	-	-	-	-	6,355,615
Business service	4,454,570	58,882	17,235	-	48,777	4,579,464
Construction	72,486	-	-	-	-	72,486
Others	2,519,290	-	-	-	348	2,519,638
<b>Total (Note 63B.(iv))</b>	<b>126,751,795</b>	<b>8,033,196</b>	<b>185,014</b>	<b>243,495</b>	<b>4,593,648</b>	<b>139,807,148</b>
	804,376,970	38,637,778	2,873,836	1,476,765	22,780,116	870,145,465
Less: allowance for impairment losses	(23,116,987)	(15,897,485)	(1,929,848)	(997,684)	(20,329,098)	(62,271,102)
<b>Net</b>	<b>781,259,983</b>	<b>22,740,293</b>	<b>943,988</b>	<b>479,081</b>	<b>2,451,018</b>	<b>807,874,363</b>

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**12. LOANS AND SHARIA LOAN/FINANCING(continued)**

A. Details of loans and sharia loan/financing (continued):

c.2 By economic sector and Bank Indonesia's collectibility (continued):

	December 31, 2019					
	Current	Special mention	Sub- standard	Doubtful	Loss	Total
Rupiah						
Manufacturing	89,006,885	12,438,344	1,343,385	1,683,263	4,849,448	109,321,325
Trading, restaurant, and hotel	95,857,038	4,884,607	1,210,021	487,843	2,135,421	104,574,930
Agriculture	77,269,793	1,276,996	105,421	42,705	138,752	78,833,667
Business service	76,355,681	1,151,095	77,276	47,541	567,549	78,199,142
Construction	51,690,347	1,258,163	39,388	33,578	894,719	53,916,195
Transportation, warehousing and communications	40,457,314	2,479,609	547,106	296,421	265,794	44,046,244
Electricity, gas and water	25,952,365	103,564	119,215	714	159,084	26,334,942
Social service	21,038,634	196,133	20,710	19,911	222,217	21,497,605
Mining	4,151,997	144,969	10,707	1,516	455,234	4,764,423
Others	211,711,373	8,504,604	624,345	727,091	1,748,453	223,315,866
<b>Total</b>	<b>693,491,427</b>	<b>32,438,084</b>	<b>4,097,574</b>	<b>3,340,583</b>	<b>11,436,671</b>	<b>744,804,339</b>
Foreign currencies						
Mining	43,289,060	323,943	-	-	443,489	44,056,492
Manufacturing	25,809,039	6,586,281	138,449	314,911	483,628	33,332,308
Electricity, gas and water	15,993,065	434,418	164,585	-	248,205	16,840,273
Trading, restaurant, and hotel	14,405,675	3,108	28,780	-	233	14,437,796
Social service	9,734,687	-	-	-	-	9,734,687
Agriculture	8,588,655	429	-	-	-	8,589,084
Business service	6,151,615	75,060	-	-	53,221	6,279,896
Transportation, warehousing and communications	5,955,043	157,786	45,528	-	12,454	6,170,811
Construction	103,871	-	-	-	-	103,871
Others	1,485,332	266	-	-	82	1,485,680
<b>Total (Note 63B.(iv))</b>	<b>131,516,042</b>	<b>7,581,291</b>	<b>377,342</b>	<b>314,911</b>	<b>1,241,312</b>	<b>141,030,898</b>
	825,007,469	40,019,375	4,474,916	3,655,494	12,677,983	885,835,237
Less: allowance for impairment losses	(8,369,625)	(8,162,433)	(1,733,492)	(1,297,759)	(10,425,084)	(29,988,393)
<b>Net</b>	<b>816,637,844</b>	<b>31,856,942</b>	<b>2,741,424</b>	<b>2,357,735</b>	<b>2,252,899</b>	<b>855,846,844</b>

d. By period:

	December 31, 2020	December 31, 2019
Rupiah		
Less than 1 year	82,677,218	81,061,277
1 - 2 years	63,397,782	94,575,022
2 - 5 years	140,674,243	147,361,102
Over 5 years	443,589,074	421,806,938
<b>Total</b>	<b>730,338,317</b>	<b>744,804,339</b>

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**12. LOANS AND SHARIA LOAN/FINANCING (continued)**

A. Details of loans and sharia loan/financing (continued):

d. By period (continued):

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Foreign currencies		
Less than 1 year	14,289,444	19,008,784
1 - 2 years	11,933,718	13,082,022
2 - 5 years	23,661,402	36,914,214
Over 5 years	89,922,584	72,025,878
Total (Note 63B.(iv))	<u>139,807,148</u>	<u>141,030,898</u>
	870,145,465	885,835,237
Less: allowance for impairment losses	<u>(62,271,102)</u>	<u>(29,988,393)</u>
<b>Net</b>	<b><u>807,874,363</u></b>	<b><u>855,846,844</u></b>

The ratio of non-performing loans of Bank Mandiri and its Subsidiaries on a gross basis (before deducted with the allowance for impairment losses) as of December 31, 2020 dan 2019 were 3.09% and 2.33%, respectively (the ratios for Bank Mandiri only were 3.29% and 2.39% as of December 31, 2020 and 2019, respectively), while the ratio of non-performing loans of Bank Mandiri and its Subsidiaries on a net basis as of December 31, 2020 and 2019 were 0.46% and 0.84%, respectively (the ratios for Bank Mandiri only were 0.43% and 0.84%, as of December 31, 2020 and 2019, respectively). The balance of non-performing loans of Bank Mandiri and its Subsidiaries include consumer financing receivables and net investment finance leases of the Subsidiary.

The calculation of non-performing loans ratio for Bank Mandiri and its Subsidiaries as of December 31, 2020 and 2019 are in accordance with Financial Services Authority Circular Letter No. 43/SEOJK.03/2016 dated September 28, 2016 regarding Transparency and Publication of Conventional Commercial Bank Reports, is calculated from the loan amount, excluding loan to other banks amounted to Rp9,748,684 and Rp7,014,512 as of December 31, 2020 and 2019, respectively.

e. Based on SFAS 71:

Movements in carrying amount of loans and sharia receivables/financing classified as amortised cost by stage for the year ended December 31, 2020:

	<u>December 31, 2020</u>				
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Sharia<sup>1)</sup></u>	<u>Total</u>
<b>Amortised cost</b>					
Beginning balance	721,165,932	70,115,244	19,380,286	75,173,775	885,835,237
Transfer to:					
-12 months expected credit losses (stage 1)	7,196,722	(5,141,874)	(2,054,848)	-	-
-Lifetime expected credit losses - unimpaired (stage 2)	(30,953,463)	31,691,164	(737,701)	-	-
-Lifetime expected credit losses - impaired (stage 3)	(4,573,725)	(15,624,696)	20,198,421	-	-
Total beginning balance after transfer	<u>692,835,466</u>	<u>81,039,838</u>	<u>36,786,158</u>	<u>75,173,775</u>	<u>885,835,237</u>
Remeasurement of net carrying amount	(73,626,776)	(2,593,573)	(912,142)	-	(77,132,491)
New financial assets originated or purchased	383,880,472	10,543,662	1,793,370	36,774,252	432,991,756
Financial assets derecognised	(322,518,714)	(8,307,853)	(2,231,845)	(28,179,578)	(361,237,990)
Write-off assets	(31,302)	(53,452)	(9,680,720)	(545,573)	(10,311,047)
Total increase/(decrease) during the year	<u>(12,296,320)</u>	<u>(411,216)</u>	<u>(11,031,337)</u>	<u>8,049,101</u>	<u>(15,689,772)</u>
<b>Ending balance</b>	<b><u>680,539,146</u></b>	<b><u>80,628,622</u></b>	<b><u>25,754,821</u></b>	<b><u>83,222,876</u></b>	<b><u>870,145,465</u></b>

<sup>1)</sup> Not implement SFAS 71

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**12. LOANS AND SHARIA LOAN/FINANCING (continued)**

B. Other significant information related to loans and sharia loan/financing:

- a. Included in loans are sharia receivables/financing granted by Subsidiaries amounted to Rp83,222,876 and Rp75,173,775 as of December 31, 2020 and 2019, respectively which consist of:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Receivables from <i>murabahah</i> and <i>istishna</i>	45,852,119	40,170,541
<i>Musarakah</i> financing	29,120,343	26,772,424
Other sharia financing	8,250,414	8,230,810
Total	83,222,876	75,173,775
Less: allowance for impairment losses	(3,285,135)	(1,967,351)
<b>Net</b>	<b>79,937,741</b>	<b>73,206,424</b>

- b. Average interest rates (yield) and range of profit sharing per annum are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Average interest rates (yield) per annum:		
Rupiah	8.74%	10.06%
Foreign currencies	4.04%	5.00%
Range of profit sharing per annum:		
Receivables from <i>murabahah</i> and <i>istishna</i>	1.63% - 14.94%	0.25% - 13.43%
<i>Musarakah</i> financing	2.18% - 11.94%	1.87% - 12.03%
Other sharia financing	0.78% - 19.35%	7.60% - 18.75%

- c. Loan collaterals

Loans are generally secured by pledged collateral, bond with powers of attorney in respect of the rights to sell, time deposits or other collateral acceptable by Bank Mandiri and its Subsidiaries. Deposits from customers and deposits from other banks that were pledged as cash collateral for loans and blocked for other purposes as of December 31, 2020 and 2019 amounted to Rp46,122,688 and Rp49,377,572, respectively (Notes 21c, 22c, 23e, 24c and 26d).

- d. Government program loans

Government program loans consist of investment loans, permanent working capital loans, working capital loans and KPR Sejahtera FLPP (*Liquidity Facility of House Financing*) which can be partially and/or fully funded by the Government.

During 2020, Bank participated in granting loan to support Government for National Economic Recovery Program "PEN" based on PMK No. 104/PMK.05/2020 dated August 6, 2020 and PMK No. 71/PMK.08/2020 dated June 23, 2020. The loan is guaranteed by Government through PT Jaminan Kredit Indonesia, PT Asuransi Kredit Indonesia and Lembaga Penjamin Ekspor Indonesia.

In order to accelerate National Economic Recovery Program, based on Ministry of Finance Regulation Number 70/PMK.05/2020, Government place their funds in Banks, which PT Bank Mandiri (Persero) Tbk. is one of the banks, in time deposit with 3 months tenor contract amounted to Rp10,000,000 on June 25, 2020. The Government Fund has been distributed in form of loan amounted to Rp39,043,255 until maturity date of time deposit on September 25, 2020 and the funds was returned to Government.

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**12. LOANS AND SHARIA LOAN/FINANCING (continued)**

B. Other significant information related to loans and sharia loan/financing (continued):

d. Government program loans (continued)

Based on evaluation and PT Bank Mandiri (Persero) Tbk.'s proposal, and in accordance to PMK No. 104/PMK.05/2020, Government renewed their placement in PT Bank Mandiri (Persero) Tbk. in form of time deposit with placement period of 110 days, amounted to Rp15,000,000 on September 25, 2020, and the funds has been distributed in form of loan with accumulative amounted to Rp65,773,719 until maturity date of time deposit on January 13, 2021. Governments placement batch II has ended and the fund returned to Government on January 13, 2021.

Bank also participated in channelling interest subsidy from Government for Small Medium Enterprise debtor and additional interest subsidy for Kredit Usaha Rakyat ("KUR") Program based on PMK No. 138/PMK.05/2020 dated September 25, 2020 and Permenko No. 16 dated August 24, 2020 for May - December 2020 period. Additional interest subsidy for KUR facility has been extended until June 2021 based on Permenko No. 19 dated September 30, 2020.

The interest subsidies will cover loan interest 6% for first 3 months and 3% for the next 3 months for loan with limit maximum of Rp500,000,000 (full amount), and 3% for first 3 months and 2% for next 3 months for loan with credit limit between Rp500,000,000 (full amount) until Rp10,000,000,000 (full amount). Until December 31, 2020, Bank has distributed interest subsidies for SME debtor's amounted to Rp288,982 and additional subsidy for KUR program amounted to Rp980,827.

e. Syndicated loans

Syndicated loans represent loans granted to debtors through joint financing agreements with other banks. The total percentage share of Bank Mandiri as lead arranger in syndicated loans as of December 31, 2020 and 2019, are ranging from 2.43% to 95.20% and 2.48% to 96.08% (unaudited), respectively, of the total syndicated loans. While the percentage of Bank Mandiri's share if only as a syndicated member as of December 31, 2020 and 2019 are ranging from 1.41% to 75.00% and 3.40% to 97.50% (unaudited) respectively, of the total syndicated loans.

f. Restructured loans

Below are the types and amounts of restructured loans as of December 31, 2020 and 2019:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Extension of loan maturity dates	73,940,239	54,956,852
Extension of loan maturity dates and reduction of interest rates	3,483,121	1,956,338
Extension of loan maturity dates and other restructuring schemes <sup>)</sup>	95,237,092	3,292,303
<b>Total</b>	<b>172,660,452</b>	<b>60,205,493</b>

<sup>)</sup> Other restructuring schemes mainly involve reduction of interest rates, rescheduling of unpaid interest and extension of repayment periods for unpaid interest.

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**12. LOANS AND SHARIA LOAN/FINANCING (continued)**

B. Other significant information related to loans and sharia loan/financing (continued):

f. Restructured loans (continued)

Below are the amount of restructured loans based on collectibility:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Current	118,333,890	19,920,911
Special mention	32,904,839	27,723,917
Substandard	2,099,998	3,083,568
Doubtful	658,606	502,977
Loss	18,663,119	8,974,120
<b>Total</b>	<b>172,660,452</b>	<b>60,205,493</b>

Total restructured loans under non-performing loans (NPL) category as of December 31, 2020 and 2019 are amounted to Rp21,421,723 and Rp12,560,665, respectively.

Bank has restructured credit for debtors affected by the Covid-19 pandemic in accordance with POJK No. 11 / POJK.03 / 2020 "National Economic Stimulus as a Countercyclical Policy on the Impact of the Spread of Coronavirus Disease 2019 dated March 13, 2020. As of December 31, 2020, the balance of Covid-19 restructured loans amounted to Rp102,030,213.

g. Loans to related parties

Total loans to related parties and its percentage to the total consolidated assets are disclosed in Note 57.

Loans to related parties include loans to Bank Mandiri key employees. The loans to Bank Mandiri key employees consist of interest-bearing amounted to 4.30% per annum which are intended for the acquisition of vehicles and/or houses, and are repayable within 1 (one) to 15 (fifteen) years through monthly payroll deductions.

h. Legal Lending Limit (LLL)

As of December 31, 2020 and 2019, there are no breach or violation of Legal Lending Limit (LLL) to third parties and related parties as required by Bank Indonesia regulations.

i. Bank Mandiri has several channeling loan agreements with several international financial institutions (Note 62).

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**12. LOANS AND SHARIA LOAN/FINANCING (continued)**

B. Other significant information related to loans and sharia loan/financing (continued):

j. Movements of allowance for impairment losses on loans and sharia loan/financing:

	December 31, 2020	December 31, 2019
Beginning balance <sup>1)</sup>	29,988,393	31,796,093
First Implementation of SFAS 71 (Note 68)	22,459,928	
Allowance during the year (Note 46)	20,204,192	11,468,133
Write-offs <sup>2)</sup>	(10,311,047)	(12,588,933)
Others <sup>3)</sup>	(70,364)	(686,900)
<b>Ending balance<sup>3)</sup></b>	<b>62,271,102</b>	<b>29,988,393</b>

\*) Including written back and conversion of written-off loans, effect of foreign currency translation and implication from interest income recognised on the non-impaired portion of the impaired loans (Note 41)

1) Beginning balance as of December 31, 2020 and 2019 is amounted to Rp20,382,564 and Rp22,645,180, respectively, which were calculated using individual assessment and Rp9,605,829 and Rp9,150,913, respectively, which were calculated using collective assessment.

2) Write-off as of December 31, 2020 and 2019 is amounted to Rp3,324,994 and Rp5,360,177, respectively, which are calculated using individual assessment and Rp6,986,053 and Rp7,228,756, respectively, which are calculated using collective assessment.

3) Ending balance as of December 31, 2020 and 2019, is amounted to Rp43,631,689 and Rp20,382,564, respectively, which were calculated using individual assessment and Rp18,639,413 and Rp9,605,829, respectively, which were calculated using collective assessment.

	December 31, 2020				
	Stage 1	Stage 2	Stage 3	Sharia <sup>1)</sup>	Total
Beginning balance	5,414,842	10,226,544	12,379,656	1,967,351	29,988,393
Impact of first implementation of SFAS71 (Note 68)	5,896,563	13,036,489	3,526,876	-	22,459,928
Beginning balance of SFAS 71	11,311,405	23,263,033	15,906,532	1,967,351	52,448,321
Transfer to:					
-12 months expected credit losses (stage 1)	817,656	(446,313)	(371,343)	-	-
-Lifetime expected credit losses - unimpaired (stage 2)	(833,506)	1,141,057	(307,551)	-	-
-Lifetime expected credit losses - impaired (stage 3)	(138,935)	(5,413,390)	5,552,325	-	-
Total beginning balance after transfer	11,156,620	18,544,387	20,779,963	1,967,351	52,448,321
Net remeasurement of losses allowance	(986,467)	5,318,779	11,405,328	1,859,333	17,596,973
New financial assets originated or purchased	2,922,482	3,396,900	1,275,033	-	7,594,415
Financial assets derecognised	(1,531,593)	(2,176,856)	(1,278,747)	-	(4,987,196)
Total allowance/(reversal) during the year	404,422	6,538,823	11,401,614	1,859,333	20,204,192
Write-off assets	(31,303)	(53,452)	(9,680,719)	(545,573)	(10,311,047)
Unwinding interest	-	-	(413,839)	-	(413,839)
Others	30,751	181,729	126,971	4,024	343,475
<b>Ending balance</b>	<b>11,560,490</b>	<b>25,211,487</b>	<b>22,213,990</b>	<b>3,285,135</b>	<b>62,271,102</b>

<sup>1)</sup> Not implement SFAS 71

Management believes that the allowance for impairment losses on loans and sharia loan/financing is adequate.

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**12. LOANS AND SHARIA LOAN/FINANCING (continued)**

B. Other significant information related to loans and sharia loan/financing (continued):

k. Summary of non-performing loans based on economic sector and the minimum allowance for impairment losses are as follows:

	<b>Non-performing loans</b> <b>(based on Bank Indonesia regulation)</b>	
	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Rupiah		
Manufacturing	12,100,931	7,876,096
Trading, restaurant and hotel	4,414,329	3,833,285
Transportation, warehousing and communications	1,023,245	1,109,321
Business services	599,836	692,366
Construction	267,941	967,685
Agriculture	223,682	286,878
Social services	205,551	262,838
Electricity, gas and water	151,416	279,013
Mining	74,319	467,457
Others	3,047,310	3,099,889
	22,108,560	18,874,828
Foreign currencies		
Mining	3,292,650	443,489
Manufacturing	1,116,986	936,988
Electricity, gas and water	407,961	412,790
Trading, restaurant and hotel	80,785	29,013
Business services	66,012	53,221
Transportation, warehousing and communications	57,415	57,982
Others	348	82
	5,022,157	1,933,565
<b>Total</b>	<b>27,130,717</b>	<b>20,808,393</b>



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**12. LOANS AND SHARIA LOAN/FINANCING (continued)**

B. Other significant information related to loans and sharia loan/financing (continued):

k. Summary of non-performing loans based on economic sector and the minimum allowance for impairment losses are as follows (continued):

Total minimum allowance for impairment losses based on Bank Indonesia regulation are as follows:

	<b>Minimum allowance for impairment losses</b>	
	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Rupiah		
Manufacturing	11,157,329	5,892,587
Trading, restaurant and hotel	3,765,205	2,560,846
Transportation, warehousing and communication	979,345	496,070
Business services	386,634	602,911
Constructions	248,420	917,416
Social services	178,426	235,279
Agriculture	154,186	175,918
Electricity, gas and water	151,330	177,323
Mining	25,433	457,598
Others	2,160,117	2,205,650
	19,206,425	13,721,598
Foreign currencies		
Manufacturing	1,116,986	661,851
Mining	3,289,834	443,489
Electricity, gas and water	146,418	272,893
Business services	51,362	53,221
Transportation, warehousing and communications	57,415	19,283
Trading, restaurant and hotel	80,785	4,550
Others	348	82
	4,743,148	1,455,369
<b>Total</b>	<b>23,949,573</b>	<b>15,176,967</b>

l. Write-off of "Loss" category loans

For the year ended December 31, 2020 and 2019, Bank Mandiri written-off loans in the "loss" category amounted to Rp9,650,970 and Rp10,841,455 (Bank Mandiri only), respectively. The criteria for loan write-offs are as follows:

- a. Loan facility has been classified as loss;
- b. Loan facility has been provided with 100.00% (one hundred percent) provision from the loan principal;
- c. Collection and recovery efforts have been performed, but the result is unsuccessful;
- d. The debtors' business has no prospect or performance is bad or they do not have the loan repayment ability; and
- e. The write-offs are performed for all loan obligations, including non-cash loan facilities, and the write-offs shall not be written-off partially.

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**12. LOANS AND SHARIA LOAN/FINANCING (continued)**

B. Other significant information related to loans and sharia loan/financing (continued):

- m. Written-off loans are recorded in extra-comptable, The Bank continues pursuing for collection of the written-off loans, These loans are not reflected in the consolidated statement of financial position, A summary of movements of extra-comptable loans for the year ended December 31, 2020 and 2019 are as follows (Bank Mandiri only):

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Beginning balance	71,960,790	66,804,961
Write-offs	9,650,970	10,841,455
Cash recoveries from write-off loans	(3,685,550)	(4,747,232)
Others <sup>*)</sup>	627,672	(938,394)
<b>Ending balance</b>	<b><u>78,553,882</u></b>	<b><u>71,960,790</u></b>

<sup>\*)</sup> Represents effect of foreign currency translation, writeback of assets and others

- n. Loans channelled by Bank Mandiri through direct financing (executing) to multifinance company and joint financing mechanism as of December 31, 2020 and 2019 amounted to Rp6,743,818 and Rp7,339,386, respectively.
- o. The carrying amount of loans and sharia loan/receivables at amortised cost are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Loans (Note 12A)	870,145,465	885,835,237
Accrued interest receivables	3,074,997	3,238,168
Deferred income (directly attributable) (Note 35)	(610,500)	(832,551)
Allowance for impairment losses (Note 12A and 12B.j)	(62,271,102)	(29,988,393)
<b>Total</b>	<b><u>810,338,860</u></b>	<b><u>858,252,461</u></b>

**13. CONSUMER FINANCING RECEIVABLES**

- a. Details of Subsidiary's consumer financing receivables are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Consumer financing receivables - gross		
Direct financing - Rupiah	59,941,148	65,682,192
Less:		
Joint financing (without recourse)		
Rupiah		
Related parties	(29,306,415)	(40,006,072)
Consumer financing receivables - gross	30,634,733	25,676,120

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**13. CONSUMER FINANCING RECEIVABLES (continued)**

a. Details of Subsidiary's consumer financing receivables are as follows (continued):

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Less:		
Unearned income on consumer financing		
Direct financing		
Rupiah		
Third parties	(14,841,677)	(11,495,741)
Less:		
Joint financing (without recourse) - gross		
Rupiah		
Related parties	3,285,352	4,385,327
Unearned income on consumer financing	(11,556,325)	(7,110,414)
Total	19,078,408	18,565,706
Less: allowance for impairment losses	(428,509)	(354,618)
<b>Net</b>	<b>18,649,899</b>	<b>18,211,088</b>

Installments of consumer financing receivables - gross as of December 31, 2020 and 2019 which will be received from customers based on the maturity dates are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Year</u>		
2020	23,108,675	26,730,207
2021	17,643,447	18,529,759
2022	11,678,766	20,422,226
2023	7,157,741	-
2024 and later	352,519	-
<b>Total</b>	<b>59,941,148</b>	<b>65,682,192</b>

On February 6, 2009, Subsidiary and PT Bank Mandiri (Persero) Tbk. signed a Vehicle Joint Financing Agreement with total facility amounted to Rp2,000,000, which the Subsidiary bears the credit risk in accordance to its financing portion (without recourse).

On August 29, 2013, Bank Mandiri and Subsidiary signed a Consumer Financing Asset Takeover Agreement with a total facility amounted to Rp1,100,000, which Subsidiary bears the credit risk in accordance with its financing portion (without recourse).

On April 13, 2016, Subsidiary and the Bank signed a Vehicle Joint Financing Agreement with a total facility amounted to Rp1,630,000, in which Subsidiary bears credit risk in accordance with its financing portion (without recourse). The latest amendment of the Agreement between Subsidiary and the Bank dated June 7, 2017, which increased the facility to Rp5,530,000 with joint financing facilities share at least 1.00% from the Company and a maximum of 99.00% from joint financing providers.

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**13. CONSUMER FINANCING RECEIVABLES (continued)**

- a. Details of Subsidiary's consumer financing receivables are as follows (continued):

On November 4, 2016, Subsidiary and the Bank entered into a Consumer Financing Asset Purchase Agreement with a total financing facility of Rp1,630,000 in accordance with the Joint Financing Agreement, which the Subsidiary bears credit risk in accordance with its financing portion (without recourse), this Agreement has been extended to March 31, 2021, with total facility amounted to Rp9,600,000.

The agreement was amended several times, the latest amendment dated April 13, 2020, which increases of facility amounted to Rp31,000,000 with the portion of joint financing facility at minimum of 1.00% from the Subsidiary and a maximum of 99.00% from joint financing providers. This agreement has been extended to February 28, 2021.

Financing period for contracts disbursed by the Subsidiary on motor vehicles ranges from 12 - 96 months.

Included in consumer financing receivables transactions are related parties transactions amounted to Rp6,867 and Rp6,758 as of December 31, 2020 and 2019, respectively (refer to Note 57).

Changes in carrying amount of consumer financing receivables classified as amortised upon stages for the year ended December 31, 2020:

	December 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Amortised Cost				
Beginning balance	17,963,483	384,616	217,607	18,565,706
Transfer to 12 months expected credit losses (stage 1)	394,350	(310,633)	(83,717)	-
Transfer to lifetime loans - unimpaired (stage 2)	(1,415,471)	1,448,262	(32,791)	-
Transfer to loans - impaired (stage 3)	(386,928)	(623,248)	1,010,176	-
Total beginning balance after transfer	16,555,434	898,997	1,111,275	18,565,706
Remeasurement of net carrying amount	(6,606,437)	946,846	57,064	(5,602,527)
New financial assets originated or purchased	15,895,715	226,299	40,773	16,162,787
Financial assets derecognised	(8,251,891)	(568,453)	(313,950)	(9,134,294)
Write-off assets	(139,532)	(63,365)	(710,367)	(913,264)
Total increase/(decrease) during the year	897,855	541,327	(926,480)	512,702
<b>Ending balance</b>	<b>17,453,289</b>	<b>1,440,324</b>	<b>184,795</b>	<b>19,078,408</b>

- b. Details of consumer financing receivables by Bank Indonesia's collectibility as of December 31, 2020 and 2019 are as follows:

	December 31, 2020	December 31, 2019
Current	17,453,288	16,993,116
Special mention	1,440,325	1,362,531
Substandard	64,187	94,179
Doubtful	82,526	103,316
Loss	38,082	12,564
Total	19,078,408	18,565,706
Less: allowance for impairment losses	(428,509)	(354,618)
<b>Net</b>	<b>18,649,899</b>	<b>18,211,088</b>

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**13. CONSUMER FINANCING RECEIVABLES (continued)**

- c. Average of effective interest rate charged to consumer for the year ended December 31, 2020 and 2019 are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Car	15.85%	15.71%
Motorcycle	25.34%	24.83%

- d. Movements of allowance for impairment losses on consumer financing receivables are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Beginning balance	354,618	371,291
First Implementation of SFAS 71 (Note 68)	(30,573)	-
Allowance during the year (Note 46)	904,826	564,224
Cash recoveries from write-offs consumer financing receivables	110,083	140,332
Write-offs	(913,264)	(721,229)
Others	2,819	-
<b>Ending balance</b>	<b><u>428,509</u></b>	<b><u>354,618</u></b>

	<u>December 31, 2020</u>			
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
Beginning balance	226,927	67,547	60,144	354,618
Impact of first implementation of SFAS 71 (Note 68)	(28,651)	(18,393)	16,471	(30,573)
Beginning balance of SFAS 71	198,276	49,154	76,615	324,045
Transfer to:				
- 12 months expected credit losses (stage 1)	6,109	(4,793)	(1,316)	-
- Lifetime expected credit losses - unimpaired (stage 2)	(8,096)	9,800	(1,704)	-
- Lifetime expected credit losses - impaired (stage 3)	(3,523)	(21,566)	25,089	-
Total beginning balance after transfer	192,766	32,595	98,684	324,045
Net remeasurement of losses allowance	124,773	83,271	582,037	790,081
New financial assets originated or purchased	136,064	27,302	11,419	174,785
Financial assets derecognised	(34,608)	(9,498)	(15,934)	(60,040)
Total allowance/(reversal) during the year	226,229	101,075	577,522	904,826
Write-off assets	(139,532)	(63,365)	(710,367)	(913,264)
Cash recoveries from write-offs consumer financing receivables	-	-	110,083	110,083
Others	-	-	2,819	2,819
<b>Ending balance</b>	<b><u>279,463</u></b>	<b><u>70,305</u></b>	<b><u>78,741</u></b>	<b><u>428,509</u></b>

Management believes that the allowance for impairment losses on consumer financing receivables is adequate.

- e. Information in respect of classification of “non-impaired” and “impaired” is disclosed in Note 63A.
- f. Consumer financing receivables pledged as collateral for debt securities issued as of December 31, 2020 and 2019 are Rp1,467,703 and Rp2,410,460, respectively (Note 30).

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**13. CONSUMER FINANCING RECEIVABLES (continued)**

- g. Consumer financing receivables pledged as collateral for fund borrowing as of December 31, 2020 and 2019 are Rp8,748,731 and Rp9,556,239, respectively (Note 36f).
- h. As a collateral to the customer financing receivables, the Subsidiaries received Vehicles Ownership Certificate (*Bukti Kepemilikan Kendaraan Bermotor* or "BPKB") from its customer for every leased vehicle.

**14. NET INVESTMENT FINANCE LEASES**

- a. Details of Subsidiary's net investment finance leases are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Net investment finance leases		
Rupiah		
Third parties		
Gross lease financing receivables	5,537,799	5,928,487
Finance lease receivables jointly funded other parties without recourse - gross	(1,385,466)	(2,314,193)
Guaranteed residual value	1,719,974	2,289,322
Deferred lease income	(570,910)	(559,223)
Security deposit	(1,719,975)	(2,289,322)
Total net investment finance leases	<u>3,581,422</u>	<u>3,055,071</u>
Less: allowance for impairment losses	(58,955)	(7,982)
<b>Net</b>	<b><u>3,522,467</u></b>	<b><u>3,047,089</u></b>

Financing period for contracts disbursed by the Subsidiary on motor vehicles ranges between 12 - 60 months.

Based on maturity date, details of finance leases receivables are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Year</u>		
2020	-	3,154,820
2021	2,915,784	1,926,895
2022	1,797,285	719,781
2023	668,236	113,759
> 2024	156,494	13,232
	<u>5,537,799</u>	<u>5,928,487</u>
Finance lease receivables jointly funded by other parties without recourse - gross	(1,385,466)	(2,314,193)
Guaranteed residual value, deferred lease income and security deposit	(570,911)	(559,223)
<b>Finance leases receivable</b>	<b><u>3,581,422</u></b>	<b><u>3,055,071</u></b>

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**14. NET INVESTMENT FINANCE LEASES (continued)**

- a. Details of Subsidiary's net investment finance leases are as follows (continued):

Movements in carrying amount of finance leases receivable classified as amortised cost upon stages for the year ended December 31, 2020:

	December 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
<b>Amortised Cost</b>				
Beginning balance	2,919,646	108,230	27,195	3,055,071
Transfer to 12 months expected credit losses (stage 1)	79,742	(69,362)	(10,380)	-
Transfer to lifetime loans - unimpaired (stage 2)	(249,980)	254,337	(4,357)	-
Transfer to lifetime loans - impaired (stage 3)	(50,847)	(62,778)	113,625	-
Total beginning balance after transfer	2,698,561	230,427	126,083	3,055,071
Remeasurement of net carrying amount	(1,874,887)	49,277	23,094	(1,802,516)
New financial assets originated or purchased	3,753,512	9,948	272	3,763,732
Financial assets derecognised	(1,204,804)	(110,699)	(78,419)	(1,393,922)
Write-offs	-	-	(40,943)	(40,943)
Total increase/(decrease) during the year	673,821	(51,474)	(95,996)	526,351
<b>Ending balance</b>	<b>3,372,382</b>	<b>178,953</b>	<b>30,087</b>	<b>3,581,422</b>

- b. Details of net investment finance leases by Bank Indonesia's collectibility as of December 31, 2020 and 2019 are as follows:

	December 31, 2020	December 31, 2019
Current	3,372,383	2,845,500
Special mention	178,952	182,377
Substandard	26,048	7,855
Doubtful	2,058	9,297
Loss	1,981	10,042
Total	3,581,422	3,055,071
Less: allowance for impairment losses	(58,955)	(7,982)
<b>Net</b>	<b>3,522,467</b>	<b>3,047,089</b>

- c. Average of effective interest rate charged to consumer for the year ended December 31, 2020 and 2019, are as follows:

	December 31, 2020	December 31, 2019
Car	14.29%	12.60%
Heavy equipment	12.41%	12.56%
Machine	12.35%	12.43%

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**14. NET INVESTMENT FINANCE LEASES (continued)**

d. Movements of allowance for impairment losses on net investment finance leases are as follows:

	December 31, 2020	December 31, 2019
Beginning balance	7,982	9,286
First Implementation of SFAS 71 (Note 68)	51,465	-
Allowance during the year (Note 46)	31,716	17,342
Cash recoveries from write-offs finance leases	8,735	5,529
Write-offs	(40,943)	(24,175)
<b>Ending balance</b>	<b>58,955</b>	<b>7,982</b>

	December 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	5,603	1,870	509	7,982
Impact of first implementation of SFAS 71 (Note 68)	24,678	13,527	13,260	51,465
Beginning balance of SFAS 71	30,281	15,397	13,769	59,447
Transfer to:				
- 12 months expected credit losses (stage 1)	15,186	(13,975)	(1,211)	-
- Lifetime expected credit losses - unimpaired (stage 2)	(6,738)	8,246	(1,508)	-
- Lifetime expected credit losses - impaired (stage 3)	(1,918)	(16,321)	18,239	-
Total beginning balance after transfer	36,811	(6,653)	29,289	59,447
Net remeasurement of losses allowance	(22,279)	46,728	36,685	61,134
New financial assets originated or purchased	20,963	1,775	33	22,771
Financial assets derecognised	(9,457)	(18,351)	(24,381)	(52,189)
Total allowance/(reversal) during the year	(10,773)	30,152	12,337	31,716
Cash recoveries from write-offs finance leases	-	-	8,735	8,735
Write-off assets	(322)	(534)	(40,087)	(40,943)
<b>Ending balance</b>	<b>25,716</b>	<b>22,965</b>	<b>10,274</b>	<b>58,955</b>

Management believes that the allowance for impairment losses on net investment finance lease is adequate.

- e. Information in respect of classification of “not impaired” and “impaired” is disclosed in Note 63A.
- f. Net investment finance leases pledged as collateral for debt securities issued as of December 31, 2020 and 2019 amounted to Rp1,042,047 and Rp427,540, respectively (Note 30).
- g. Net investment finance lease pledged as collateral for fund borrowings as of December 31, 2020 and 2019 amounted to Rp977,640 and Rp368,957, respectively (Note 36f).



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**15. ACCEPTANCE RECEIVABLES**

a. By currency, related parties and third parties:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah		
Receivables from other banks		
Related parties (Note 57)	184,378	258,928
Third parties	319,075	521,369
	<u>503,453</u>	<u>780,297</u>
Receivables from debtors		
Related parties (Note 57)	557,773	425,231
Third parties	5,435,757	4,063,655
	<u>5,993,530</u>	<u>4,488,886</u>
Total	<u>6,496,983</u>	<u>5,269,183</u>
Foreign currencies		
Receivables from other banks		
Related parties (Note 57)	4,411	-
Third parties	165,523	114,908
	<u>169,934</u>	<u>114,908</u>
Receivables from debtors		
Related parties (Note 57)	276,890	514,716
Third parties	3,212,702	4,381,032
	<u>3,489,592</u>	<u>4,895,748</u>
Total (Note 63B.(iv))	<u>3,659,526</u>	<u>5,010,656</u>
	10,156,509	10,279,839
Less: allowance for impairment losses	(122,825)	(221,804)
<b>Net</b>	<b><u>10,033,684</u></b>	<b><u>10,058,035</u></b>

Movements in carrying amount of acceptance receivable classified as amortised cost upon stages for the year ended December 31, 2020:

	December 31, 2020				
	Stage 1	Stage 2	Stage 3	Sharia <sup>1)</sup>	Total
<b>Amortised Cost</b>					
Beginning balance	9,482,157	499,706	73,849	224,127	10,279,839
Transfer to 12 months expected credit losses (stage 1)	-	-	-	-	-
Total beginning balance after transfer	9,482,157	499,706	73,849	224,127	10,279,839
Remeasurement of net carrying amount	117,861	(197)	(372)	(85,193)	32,099
New financial assets originated or purchased	24,060,577	1,254,476	1,826	-	25,316,879
Financial assets derecognised	(24,164,848)	(1,242,694)	(74,284)	-	(25,481,826)
Others	1,759	7,387	372	-	9,518
Total increase/(decrease) during the year	15,349	18,972	(72,458)	(85,193)	(123,330)
<b>Ending balance</b>	<b><u>9,497,506</u></b>	<b><u>518,678</u></b>	<b><u>1,391</u></b>	<b><u>138,934</u></b>	<b><u>10,156,509</u></b>

<sup>1)</sup> Not implement SFAS 71

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**15. ACCEPTANCE RECEIVABLES (continued)**

b. By maturity:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah		
Less than 1 month	2,042,433	1,344,635
1 - 3 months	1,391,194	2,039,197
3 - 6 months	3,063,030	1,865,678
6 - 12 months	326	19,673
Total	<u>6,496,983</u>	<u>5,269,183</u>
Foreign currencies		
Less than 1 month	1,490,487	1,543,956
1 - 3 months	1,724,291	2,035,902
3 - 6 months	439,595	1,386,521
6 - 12 months	5,153	44,277
Total (Note 63B.(iv))	<u>3,659,526</u>	<u>5,010,656</u>
	10,156,509	10,279,839
Less: allowance for impairment losses	(122,825)	(221,804)
<b>Net</b>	<b><u>10,033,684</u></b>	<b><u>10,058,035</u></b>

c. By Bank Indonesia's collectibility:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current	10,113,764	10,160,309
Special mention	41,354	18,052
Substandard	1,391	27,629
Doubtful	-	73,849
	<u>10,156,509</u>	<u>10,279,839</u>
Less: allowance for impairment losses	(122,825)	(221,804)
<b>Net</b>	<b><u>10,033,684</u></b>	<b><u>10,058,035</u></b>

d. Movements of allowance for impairment losses on acceptance receivables:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Beginning balance	221,804	296,453
First implementation of SFAS 71 (Note 68)	32,819	-
Reversal during the year (Note 46)	(143,471)	(65,114)
Others <sup>1)</sup>	11,673	(9,535)
<b>Ending balance</b>	<b><u>122,825</u></b>	<b><u>221,804</u></b>

<sup>1)</sup> Including effect of foreign currency translation.

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**15. ACCEPTANCE RECEIVABLES (continued)**

d. Movements of allowance for impairment losses on acceptance receivables (continued):

	December 31, 2020				
	Stage 1	Stage 2	Stage 3	Sharia <sup>1)</sup>	Total
Beginning balance	56,544	131,461	31,439	2,360	221,804
Impact of first implementation of SFAS 71 (Note 68)	(23,843)	45,240	11,422	-	32,819
Beginning balance of SFAS 71	32,701	176,701	42,861	2,360	254,623
Transfer to:					
-12 months expected credit losses (stage 1)	-	-	-	-	-
Total beginning balance after transfer	32,701	176,701	42,861	2,360	254,623
Net remeasurement of losses allowance	(15,918)	(10,244)	(456)	(604)	(27,222)
New financial assets originated or purchased	57,071	331,028	1,597	-	389,696
Financial assets derecognised	(47,663)	(415,215)	(43,067)	-	(505,945)
Total allowance/(reversal) during the year	(6,510)	(94,431)	(41,926)	(604)	(143,471)
Others	2,155	9,051	456	11	11,673
<b>Ending balance</b>	<b>28,346</b>	<b>91,321</b>	<b>1,391</b>	<b>1,767</b>	<b>122,825</b>

<sup>1)</sup> Not implement SFAS 71

Management believes that the allowance for impairment losses on acceptance receivables is adequate.

e. Information in respect to classification of “non-impaired” and “impaired” is disclosed in Note 63A.

**16. INVESTMENTS IN SHARES**

a. The detail of investments in shares are as follows:

	December 31, 2020	December 31, 2019
Investments in shares		
Related Parties (Note 57)	1,799,313	112,298
Third Parties	465,323	506,631
Total	2,264,636	618,929
Less: allowance for impairment losses	(14,619)	(12,919)
<b>Net</b>	<b>2,250,017</b>	<b>606,010</b>

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**16. INVESTMENTS IN SHARES (continued)**

a. The detail of investments in shares are as follows (continued):

The detail of investments in shares as of December 31, 2020 are as follows

Investee Companies	Nature of Business	Percentage of Ownership	Carrying Amount
Fair value method:			
PT Fintek Karya Nusantara	Fintech Lending	16.32%	1,697,395
PT Amarthia Mikro Fintek	Fintech Lending	8.19%	114,334
Sleekr	HR and Accounting Platform	5.00%	80,279
Privy Id	Digital Service	9.91%	46,960
Cashlez	Mobile Point of Sale	8.25%	55,136
Investree	Fintech Lending	2.34%	92,840
Iseller	Digital Service	12.00%	21,773
Others (each less than Rp20,000)	Various	0.01% - 17.50%	48,829
Cost and equity method:			
PT Djakarta Lloyd (Persero)	Shipping Line	17.67%	32,813
PT Mandiri AXA General Insurance (MAGI)	General Insurance	20.00%	66,104
Others (each less than Rp20,000)	Various	0.00015% - 10%	8,173
			2,264,636
Less: allowance for impairment losses			(14,619)
<b>Net</b>			<b>2,250,017</b>

The detail of investments in shares as of December 31, 2019 are as follows:

Investee Companies	Nature of Business	Percentage of Ownership	Carrying Amount
Fair value method:			
Westech Electronics	Trading and retail	5.50%	146
PT Fintek Karya Nusantara	Fintech Lending	17.03%	311,000
PT Amarthia Mikro Fintek	Fintech Lending	9.45%	55,391
Sleekr	HR and Accounting Platform	5.00%	36,515
Moka	Fintech point of sale	3.18%	25,930
Others (each less than Rp20,000)	Various	2.23% - 17.50%	72,476
Cost and equity method:			
PT Djakarta Lloyd (Persero)	Shipping Line	17.67%	35,796
PT Mandiri AXA General Insurance (MAGI)	General Insurance	20.00%	73,502
Others (each less than Rp20,000)	Various	0.00015% - 10%	8,173
			618,929
Less: allowance for impairment losses			(12,919)
<b>Net</b>			<b>606,010</b>

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**16. INVESTMENTS IN SHARES (continued)**

b. Investments in shares by Bank Indonesia's collectibility:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current	2,163,679	573,334
Substandard	98,918	35,796
Loss	2,039	9,799
	<u>2,264,636</u>	<u>618,929</u>
Less: allowance for impairment losses	(14,619)	(12,919)
<b>Net</b>	<b><u>2,250,017</u></b>	<b><u>606,010</u></b>

c. Movements of allowance for impairment losses on investments in shares:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Beginning balance	12,919	30,589
Allowance during the year (Note 46)	10,026	32,833
Write Off	(7,698)	(50,331)
Others <sup>7)</sup>	(628)	(172)
<b>Ending balance</b>	<b><u>14,619</u></b>	<b><u>12,919</u></b>

<sup>7)</sup> Including effect of foreign currency translation

Management believes that the allowance for impairment losses on investments in shares are adequate.

**17. PREPAID EXPENSES**

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Prepaid rent	137,182	1,708,858
Building maintenance	407,456	416,581
Others	783,413	887,111
<b>Total</b>	<b><u>1,328,051</u></b>	<b><u>3,012,550</u></b>

Prepaid rent mostly consists of rentals on buildings which are used as the Group branch's offices and official residence across Indonesia.

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**18. FIXED ASSETS**

a. The details of fixed assets were as follows:

	December 31, 2020				
	Beginning Balance	Additions <sup>*)</sup>	Deductions	Reclassifications	Ending Balance <sup>**)</sup>
At cost/revaluation value					
Direct ownership					
Land	34,504,142	277,946	(270,243)	234,350	34,746,195
Building	7,269,470	308,406	(89,223)	536,442	8,025,095
Furniture and fixtures, office equipment and computer	12,735,843	324,992	(782,758)	719,818	12,997,895
Vehicles	195,345	3,771	(12,081)	23,405	210,440
Construction in progress	2,940,234	1,365,226	(196)	(1,514,015)	2,791,249
	57,645,034	2,280,341	(1,154,501)	-	58,770,874
Right of use assets	2,162,722	1,095,905	(23,278)	-	3,235,349
	59,807,756	3,376,246	(1,177,779)	-	62,006,223
Accumulated depreciation (Note 51)					
Direct ownership					
Building	2,690,823	427,888	(48,703)	(171)	3,069,837
Furniture and fixtures, office equipment and computer	10,208,520	1,072,704	(539,810)	171	10,741,585
Vehicles	140,727	15,383	(12,081)	-	144,029
	13,040,070	1,515,975	(600,594)	-	13,955,451
Right of use assets	-	1,334,039	(11,420)	-	1,322,619
	13,040,070	2,850,014	(612,014)	-	15,278,070
Net book value					
Direct ownership					
Land					34,746,195
Building					4,955,258
Furniture and fixtures, office equipment and computer					2,256,310
Vehicles					66,411
Construction in progress					2,791,249
					44,815,423
Right of use assets					1,912,730
					<b>46,728,153</b>

\*) Including revaluation of fixed assets and reclassification of abandoned properties.

\*\*) As of December 31, 2020 there was a revaluation of fixed assets of amounted to Rp31,111,098 which from the Bank amounted to Rp30,706,364 and Subsidiaries amounted to Rp404,734.

	December 31, 2019				
	Beginning Balance	Additions <sup>*)</sup>	Deductions	Reclassifications	Ending Balance <sup>**)</sup>
At cost/revaluation value					
Direct ownership					
Land	30,340,902	3,974,318	-	188,922	34,504,142
Building	5,973,183	190,600	(9,335)	1,115,022	7,269,470
Furniture and fixtures, office equipment and computer	11,254,122	693,637	(22,991)	811,075	12,735,843
Vehicles	213,867	4,380	(23,314)	412	195,345
Construction in progress	2,281,059	2,778,631	(4,025)	(2,115,431)	2,940,234
	50,063,133	7,641,566	(59,665)	-	57,645,034
Leased assets	12,495	-	-	-	12,495
	50,075,628	7,641,566	(59,665)	-	57,657,529

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**18. FIXED ASSETS (continued)**

a. The details of fixed assets were as follows (continued):

	December 31, 2019				Ending Balance <sup>*)</sup>
	Beginning Balance	Additions <sup>*)</sup>	Deductions	Reclassifications	
Accumulated depreciation (Note 51)					
Direct ownership					
Building	2,383,994	316,108	(9,279)	-	2,690,823
Furniture and fixtures, office equipment and computer	9,094,141	1,134,284	(19,905)	-	10,208,520
Vehicles	150,162	13,779	(23,214)	-	140,727
	<u>11,628,297</u>	<u>1,464,171</u>	<u>(52,398)</u>	<u>-</u>	<u>13,040,070</u>
Leased assets	4,635	625	-	-	5,260
	<u>11,632,932</u>	<u>1,464,796</u>	<u>(52,398)</u>	<u>-</u>	<u>13,045,330</u>
Net book value					
Direct ownership					
Land					34,504,142
Building					4,578,647
Furniture and fixtures, office equipment and computer					2,527,323
Vehicles					54,618
Construction in progress					2,940,234
					<u>44,604,964</u>
Leased assets					7,235
					<u><b>44,612,199</b></u>

\*) Including revaluation of fixed assets and reclassification of abandoned properties.

\*\*) As of December 31, 2019 there was a revaluation of fixed assets of amounted to Rp31,107,770 which from the Bank amounted to Rp30,703,036 and Subsidiaries amounted to Rp404,734.

Construction in progress as of December 31, 2020 and 2019 are as follows:

	December 31, 2020	December 31, 2019
Buildings	2,125,190	1,667,638
Computers and other hardware that have not been installed	277,961	697,206
Land	281,310	510,478
Office equipment and inventory	83,749	56,034
Vehicles	19,139	1,521
Others	3,900	7,357
	<u><b>2,791,249</b></u>	<u><b>2,940,234</b></u>

The estimated percentage of completion of construction in progress as of December 31, 2020 and 2019 for computers and other hardware that have not been installed was ranging between 0.04% - 67.39% and 5.00% - 95.00%, respectively.

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**18. FIXED ASSETS (continued)**

a. The details of fixed assets were as follows (continued):

Right of use assets as of December 31, 2020 are as follows:

	Balance as of January 1, 2020	Additions	Deductions	Balance as of December 31, 2020
At cost				
Building	1,802,540	926,174	(17,174)	2,711,540
Furniture and fixtures, office equipment and computer	-	2,498	-	2,498
Vehicles	360,182	167,233	(6,104)	521,311
	<u>2,162,722</u>	<u>1,095,905</u>	<u>(23,278)</u>	<u>3,235,349</u>
Accumulated depreciation				
Building	-	1,110,417	(8,070)	1,102,347
Furniture and fixtures, office equipment and computer	-	1,837	-	1,837
Vehicles	-	221,785	(3,350)	218,435
	<u>-</u>	<u>1,334,039</u>	<u>(11,420)</u>	<u>1,322,619</u>
Net book value				
Building				1,609,193
Furniture and fixtures, office equipment and computer				661
Vehicles				302,876
				<u><u>1,912,730</u></u>

The table below shows the right of use expenses in consolidated statement of profit or loss:

	December 31, 2020		
	Depreciation of Right-of-use assets	Interest expenses of leased liabilities	Expenses relating to short term lease
Building	1,110,417	16,915	18,797
Furniture and fixture, office equipment and computer	1,837	31	5,015
Vehicles	221,785	26,469	4,168
<b>Total recognized in consolidated statement of profit or loss</b>	<u><u>1,334,039</u></u>	<u><u>43,415</u></u>	<u><u>27,980</u></u>

Bank entered into rental agreement for a number of assets include vehicle, official house, offices, ATM space and others. The average lease term is 2 (two) years.

Bank also has a number of lease with leases terms 12 months or less and the underlying asset has low value. Bank applied the exception of the leaset for short term lease and low value asset.



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**18. FIXED ASSETS (continued)**

b. Others

1. On December 28, 2018, the Bank and PT Wijaya Karya Bangunan Gedung, Tbk has signed the agreement in relation to Build, Operate and Transfer for asset on Jl Proklamasi No. 31 Jakarta for 30 years period in order to optimize the strategic assets of Bank Mandiri by prioritizing the cooperation through BUMN synergy.

Bank Mandiri had an Agreement on Build, Operate and Transfer (“BOT Agreement”) with PT Duta Anggada Realty Tbk. (“Duta Anggada”) based on the Deed No. 105 regarding BOT Agreement dated May 24, 1991, as amended by the Deed No. 70 Addendum I on BOT Agreement dated June 14, 1991 and No. 65 Addendum II on BOT agreement dated December 21, 2011. The agreement, among others, managed the development of two tower of 27 floors of offices by Duta Anggada, which the land is owned by Bank Mandiri. The term of the management of Tower 1 and Tower 2 by Duta Anggada ended on May 15, 2014 and May 15, 2016, respectively.

On May 19, 2014, the Bank and Duta Anggada has signed the agreement to transfer Tower 1 building to Bank Mandiri in Deed No. 43 dated May 19, 2014 regarding Temporary Utilization Agreement, in which Duta Anggada is entitled to operate the Tower 1 building up to May 15, 2016, along with the right and obligation of each party.

On May 11, 2016, the Bank has signed transfer agreement of Menara Mandiri 2 and its management of Menara Mandiri 1 from PT Duta Anggada Realty Tbk. to PT Bank Mandiri (Persero) Tbk. Currently, building management of Menara Mandiri 1 and Menara Mandiri 2 is performed by PT Bumi Daya Plaza in the form of Temporary Utilization Agreement from 2016 until 2021.

2. Revaluation

Revaluation year 2015 - 2016

Based on Minister of Finance of the Republic of Indonesia Regulation (Peraturan Menteri Keuangan (PMK)) No. PMK/191 dated October 15, 2015, with the first amendment through the Minister of Finance Regulation No. 233/PMK.03/2015 dated December 21, 2015 and the second amendment of the Minister of Finance Regulation No. 29/PMK.03/2016 February 19, 2016. The Group has assigned registered independent appraisers to assess (revalue) its fixed asset (land).

The valuations of land are performed by the external independent appraisers, Public Appraiser Company (Kantor Jasa Penilai Publik (KJPP)) Amin, Nirwan, Alfiantori and Partners (ANA) and KJPP Muttaqin, Bambang, Purwanto, Rozak, Uswatun and Partners (MBPRU). Appraisals are performed based on the Concept and General Principles of Appraisers article 17 in Indonesian Appraisal Standards year 2015.

In the fair value measurement of the land, the KJPP takes into account a market participant’s ability to generate economic benefits by using the assets in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The valuation method used by the KJPP are market approach and cost approach.

Based on the Assessment Report of the KJPP MBPRU dated December 21, 2015 (Subsidiaries) and April 11, 2016 (Bank) and KJPP ANA dated April 13, 2016 (Bank), the value of fixed assets and its increase are as follows:

<b>Fixed assets</b>	<b>Fair value</b>	<b>Book value</b>	<b>Increase in value (before tax)</b>
Land	28,822,150	2,880,11625,942,034	

To determine the fair value, KJPP ANA and KJPP MBPRU use the assessment methodology from Market Approach SPI 2015-KPUP 17 with direct comparison methodology.

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**18. FIXED ASSETS (continued)**

b. Others (continued)

2. Revaluation (continued)

Revaluation year 2015 - 2016 (continued)

The results of revaluation of fixed assets of the Bank were approved by the Directorate General of Taxes (DGT) through the Head of Regional Office Large Tax payer through Decree No. KEP-418/WPJ.19/2016 dated May 25, 2016. The results of revaluation of fixed assets of subsidiary were approved by the DGT on January 8, 2016.

Revaluation year 2019

In 2019, Bank has performed land revaluation. The valuation of land was performed by external independent appraisers of the Office of Public Appraisal Services (KJPP) Yanuar Bey and Partners and KJPP Iwan Bachron and Partners. The assessment was performed in accordance with and subject to the provisions of the General Assessment Concepts and principles point 17 in the Indonesian Appraisal Standard (SPI) of year 2018.

In the fair value measurement of the land, the KJPP takes into account the market participants' ability to generate economic benefits to the highest and best use of the assets or by selling assets to other market participants would use the asset on the highest and best use condition. The valuation methods used by KJPP are the market approach, income approach and cost approach.

Based on the Appraisal Report of KJPP Yanuar Bey on July 8, 2019 and KJPP Iwan Bachron on August 9, 2019, the value of fixed assets and its value increase are as follows:

<u>Fixed assets</u>	<u>Fair value</u>	<u>Book value</u>	<u>Increase in value (before tax)</u>
Land	33,596,578	29,725,630	3,870,948

To determine the fair value, KJPP Yanuar Bey and KJPP Iwan Bachron used the market approach methodology SPI 2018-KPUP 15.2 using direct comparison method.

3. Assessment in the fair value of assets owned by the Bank on December 31, 2020 and 2019 uses revaluation method for lands and sales value of taxable object for buildings. As of December 31, 2020, the revaluation value of land and sales value of taxable object of buildings owned by the Bank was Rp34,540,996 and Rp4,870,858, respectively. As of December 31, 2019, the revaluation value of land and sales value of taxable object of buildings owned by the Bank was Rp34,443,470 and Rp4,860,975, respectively. On October 27, 2020, there is an abandoned property that has been reclassified as fixed assets. The assets are in the form of land and buildings located on Jl. Bandarharjo Semarang. The bank carried out a revaluation of the land which had a book value of Rp266 and a revaluation value of Rp3,594, according to the results of the assessment of KJPP Amin Nirwan Alfiantori and Partners. Asset revaluation causes an increase in the value of fixed assets and the net difference in revaluation of fixed assets in equity of Rp3,328 (the difference between book value and revaluation value).

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**18. FIXED ASSETS (continued)**

b. Others (continued)

4. The value of land based on cost model as of December 31, 2020 and 2019 amounted to Rp3,429,898 and Rp3,335,700, respectively.

The table below presents non-financial instruments recognised at fair value based on the hierarchy used by the Bank to determine and disclose the fair value of non-financial instruments:

- (i) Level 1: Quoted prices on active markets for identical assets or liabilities;
- (ii) Level 2: Valuation technique in which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- (iii) Level 3: Valuation techniques in which all inputs which have a significant effect on the recorded fair value that cannot be observed from market data.

The table below presents non-financial instruments recognised at fair value based on the hierarchy used by the Bank to determine and disclose the fair value of non-financial instruments (continued):

	December 31, 2020			Fair Value
	Level 1	Level 2	Level 3	
Land	-	34,540,996	-	34,540,996

	December 31, 2019			Fair Value
	Level 1	Level 2	Level 3	
Land	-	34,443,470	-	34,443,470

The fair value of Land for level 2 is calculated using the comparison of market price approach and estimation of income and expenses generated by the asset. The market price of the land that most closely adjusted for differences in the primary attributes such as asset size, location and usage of assets. The most significant input in this assessment approach is the assumption of the price per meter.

5. Land rights acquired through Leasehold Certificate (“HGB”) that can be renewed will expire between 2020 until 2042. Based on past experience, the Group believes that they can extend the HGB.
6. As of December 31, 2020, the Bank has insured its fixed assets (excluding land rights, construction in progress and the leased property) to cover potential losses against fire, theft and natural disaster to PT Asuransi Wahana Tata, PT Krida Upaya Tunggal, entirety are third parties, and PT Asuransi Jasa Indonesia (Persero), PT Mandiri AXA General Insurance, PT Asuransi Astra Buana and PT Asuransi Jasaraharja Putera, PT Asuransi Tugu Pratama Indonesia and PT Asuransi Kredit Indonesia, all of these insurance companies are related parties, with total insured amount approximately Rp17,114,905 (December 31, 2019: Rp16,596,036). Management believes that the insurance coverage is adequate to cover possible losses on the assets insured.
7. The fixed assets that have been fully depreciated but still in use by the Bank consist of several things such as office machine, printing office equipment and housing.
8. Management believes that there is no impairment on fixed assets as of December 31, 2020 and 2019.

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**19. INTANGIBLE ASSETS**

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Software <sup>*)</sup>	3,673,819	2,898,169 <sup>*)</sup>
Goodwill	787,466	423,115
Yokke brand assets	59,334	-
	<b>4,520,619</b>	<b>3,321,284</b>

<sup>\*)</sup> Net of amortisation of Rp4,637,223 and Rp3,793,603, respectively as of December 31, 2020 and 2019.

Software is amortised over its useful lives, which is 5 years (refer to Note 2.r.i).

As of December 31, 2020, included in intangible assets is the Yokke brand asset from its subsidiary, PT Mandiri Capital Indonesia (MCI) worth Rp59,334. This asset was recorded by MCI on January 1, 2020 with economic useful life of 7 years. This asset is amortized using the straight-line method.

As of December 31, 2020 and 2019, included in the software balance are construction in progress for software amounted to Rp1,564,705 and Rp1,037,146, respectively. The estimated percentage of completion of software as of December 31, 2020 was ranging between 0.09% - 67.17% (December 31, 2019: 5.00% - 95.00%).

Goodwill arises from the difference between the cost of acquisition with the fair value of Subsidiaries assets acquired. Goodwill is assessed regularly for impairment. As of December 31, 2020 and 2019, there are no impairment of goodwill.

**20. OTHER ASSETS**

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
<b>Rupiah</b>		
Accrued income	4,917,895	4,544,578
Receivables from government bonds pledged as collateral	3,343,608	1,645,380
Receivables from customer transactions	3,118,480	1,283,244
Receivables from sales of marketable securities	-	75,789
Receivables from transactions related to ATM and credit card	541,906	594,136
<i>Ijarah</i> assets	175,381	296,407
Receivables from policyholders	223,548	147,437
Receivables from mutual fund	238,968	369,622
Repossessed assets - net of accumulated losses amounted Rp55,608 and Rp53,655 as of December 31, 2020 and 2019	297,708	297,048
Abandoned properties - net of allowance for decrease in net realizable value amounted Rp86,687 and Rp87,202 as of December 31, 2020 and 2019, respectively	101,766	87,202
Others	4,036,071	3,452,274
<b>Total</b>	<b>16,995,331</b>	<b>12,793,117</b>
<b>Foreign currencies</b>		
Receivables from government bonds pledged as collateral (Note 63B.(iv))	1,987,344	1,909,265
Accrued income (Note 63B.(iv))	777,149	848,545
<i>Ijarah</i> assets	23,542	71,110
Receivables from customer transactions (Note 63B.(iv))	25,639	32,244

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**20. OTHER ASSETS (continued)**

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<b>Foreign currencies (continued):</b>		
Receivables from policyholders (Note 63B.(iv))	8	127
Receivables from transactions related to ATM and credit card (Note 63B.(iv))	1,792	1,561
Others	1,938,146	1,717,442
Total	<u>4,753,620</u>	<u>4,580,294</u>
	21,748,951	17,373,411
Less: allowance for possible losses	<u>(721,357)</u>	<u>(623,357)</u>
<b>Net</b>	<b><u>21,027,594</u></b>	<b><u>16,750,054</u></b>

Accrued income consist of interest accrued from the placement, marketable securities, government bonds, loans and fees and commissions.

Receivables from customer transactions mainly consist of receivables arising from securities transactions of Bank's Subsidiaries. As of December 31, 2020 and 2019, included in receivables from customer transactions is an impaired portfolio amounted to Rp9,888 and Rp10,611, respectively.

Receivables from mutual fund is related to receivable from securities portfolio transactions of unit-link contracts in Subsidiary's mutual fund.

Receivables related to ATM and credit card transactions consist of receivable arising from ATM transactions within ATM Bersama, Prima and Link network as well as receivables from Visa, Master Card and JCB as a result of credit card transactions.

Receivables from government bonds pledged as collateral represent repo to maturity transactions with third parties, where Bank Mandiri has transferred VR0031 with total value Rp600,000, ROI 23NN with nominal value of USD37,000,000 (full amount), ROI 24 with nominal value of USD40,940,000 (full amount) and ROI 25 with nominal value of USD50,000,000 (full amount) and recorded receivables equivalent to the market value of VR0031, ROI 23NN, ROI 24 and ROI 25 (Note 36e). The receivables will be settled at net basis with settlement of Bank's liabilities to the counterparty amounted to Rp600,000 which due on July 25, 2020, USD58,810,428 (full amount) due on November 15, 2020, USD24,926,000 (full amount) due on January 11, 2023, USD31,270,000 (full amount) due on January 15, 2024 and USD34,782,000 (full amount) due on January 15, 2025.

Bank Mandiri also had transferred FR0031 with total value amounted to Rp1,000,000, FR0061 with total value Rp1,462,572 and FR0063 with nominal value of Rp1,773,500 and recorded equivalent to the market value of it receivables. On the maturity date of repo to maturity, Bank Mandiri would transfer its liabilities to the counterparty and receive in cash the amount equivalent to face value and coupon at maturity date from the counterparty (Note 36e).

Receivables from policyholders represent receivables from the Subsidiary's to its policyholders related to premium of non unit-link products.

On December 2019, receivables from sales of marketable securities are receivables from sale of marketable securities with maturity date on January 2, 2020.

Others mainly consist of inter-office accounts, various form of receivables from transaction with third parties, including clearing transactions and others.

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**20. OTHER ASSETS (continued)**

Movement of allowance for possible losses of other assets are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Beginning balance	623,357	598,662
Allowance during the year (Note 47)	141,778	4,544
Others <sup>7)</sup>	(43,778)	20,151
<b>Ending balance</b>	<b><u>721,357</u></b>	<b><u>623,357</u></b>

<sup>7)</sup> Including effect of foreign currency translation.

Management believes that the allowance for possible losses is adequate.

**21. DEPOSITS FROM CUSTOMERS - DEMAND DEPOSITS AND WADIAH DEMAND DEPOSITS**

a. By currencies, related parties and third parties:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah		
Related parties (Note 57)	72,139,740	44,306,890
Third parties	146,995,581	132,036,012
Total	<u>219,135,321</u>	<u>176,342,902</u>
Foreign currencies		
Related parties (Note 57)	17,253,299	15,811,607
Third parties	68,061,671	55,289,758
Total (Note 63B.(iv))	<u>85,314,970</u>	<u>71,101,365</u>
	<b><u>304,450,291</u></b>	<b><u>247,444,267</u></b>

Included in demand deposits were *wadiah* deposits amounted to Rp20,875,426 and Rp11,510,301 as of December 31, 2020 and 2019, respectively.

b. Average interest rates (cost of funds) and range of profit sharing per annum:

Average interest rates (cost of funds) per annum:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah	2.37%	2.51%
Foreign currencies	0.78%	0.76%

Range of profit sharing per annum on *wadiah* deposits:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah	0.36 - 0.79%	0.37% - 0.79%
Foreign currencies	0.09 - 0.74%	0.09% - 0.79%

c. As of December 31, 2020 and 2019, demand deposits pledged as collateral and blocked for bank guarantees, loans and trade finance facilities (irrevocable letters of credits) and other purposes were amounted to Rp8,998,608 and Rp8,943,540, respectively (Notes 12B.c and 31e).

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**22. DEPOSITS FROM CUSTOMERS - SAVING DEPOSITS AND WADIAH SAVING DEPOSITS**

a. By currencies, type, related parties and third parties:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah		
Related parties (Note 57)		
Mandiri Saving Deposits	1,957,141	2,159,305
Third parties		
Mandiri Saving Deposits	320,086,062	294,789,160
Hajj Mandiri Saving Deposits	266,557	298,882
Total	<u>322,309,760</u>	<u>297,247,347</u>
Foreign currencies		
Related parties (Note 57)		
Mandiri Saving Deposits	1,851,373	1,148,455
Third parties		
Mandiri Saving Deposits	27,201,058	26,092,270
Total (Note 63B.(iv))	<u>29,052,431</u>	<u>27,240,725</u>
	<b><u>351,362,191</u></b>	<b><u>324,488,072</u></b>

Included in saving deposits were *wadiah* deposits amounted to Rp7,921,251 and Rp5,126,726 as of December 31, 2020 and 2019, respectively.

b. Average interest rates (*cost of funds*) per annum:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah	1.03%	1.04%
Foreign currencies	0.38%	0.40%

c. As of December 31, 2020 and 2019, total saving deposits pledged as collateral and blocked for loans and other purposes were amounted to Rp11,826,183 and Rp11,493,253, respectively (Note 12B.c).

**23. DEPOSITS FROM CUSTOMERS - TIME DEPOSITS**

a. By currencies, related parties and third parties:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah		
Related parties (Note 57)	47,092,156	30,081,000
Third parties	231,494,565	212,034,840
Total	<u>278,586,721</u>	<u>242,115,840</u>

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**23. DEPOSITS FROM CUSTOMERS - TIME DEPOSITS (continued)**

a. By currencies, related parties and third parties (continued):

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Foreign currencies		
Related parties (Note 57)	1,467,365	4,051,147
Third parties	27,727,194	32,009,019
Total (Note 63B.(iv))	29,194,559	36,060,166
	<b>307,781,280</b>	<b>278,176,006</b>

b. By maturity date:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah		
1 month	106,872,345	80,114,735
3 months	145,822,832	122,716,579
6 months	15,015,942	15,640,679
12 months	10,422,656	22,228,549
Over 12 months	452,946	1,415,298
Total	278,586,721	242,115,840
Foreign currencies		
1 month	15,493,463	18,925,610
3 months	7,903,035	11,731,579
6 months	3,855,876	3,064,699
12 months	1,753,497	2,126,744
Over 12 months	188,688	211,534
Total (Note 63B.(iv))	29,194,559	36,060,166
	<b>307,781,280</b>	<b>278,176,006</b>

c. By remaining period to maturity date:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah		
Less than 1 month	152,088,037	124,945,068
1 - 3 months	110,827,702	88,117,526
3 - 6 months	9,968,118	10,463,449
6 - 12 months	5,140,093	17,159,139
Over 12 months	562,771	1,430,658
Total	278,586,721	242,115,840



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**23. DEPOSITS FROM CUSTOMERS - TIME DEPOSITS (continued)**

c. By remaining period to maturity date (continued):

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Foreign currencies		
Less than 1 month	18,985,584	22,346,185
1 - 3 months	6,590,139	10,606,003
3 - 6 months	2,682,428	1,578,258
6 - 12 months	806,000	1,499,032
Over 12 months	130,408	30,688
Total (Note 63B.(iv))	<u>29,194,559</u>	<u>36,060,166</u>
	<b><u>307,781,280</u></b>	<b><u>278,176,006</u></b>

d. Average interest rates (cost of funds) per annum:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah	5.01%	5.97%
Foreign currencies	1.56%	2.23%

e. As of December 31, 2020 and 2019, total time deposits pledged as collateral and blocked for loans and other purposes were amounted to Rp31,418,129 and Rp34,689,121, respectively (Note 12B.c).

**24. DEPOSITS FROM OTHER BANKS - DEMAND DEPOSITS, WADIAH DEMAND DEPOSITS AND SAVING DEPOSITS**

a. By currency, related parties and third parties:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Demand deposits and <i>wadiah</i> demand deposits		
Related parties (Note 57)		
Rupiah	4,967	40,077
Foreign currencies (Note 63B.(iv))	44,195	108,480
	<u>49,162</u>	<u>148,557</u>
Third parties		
Rupiah	1,038,337	898,647
Foreign currencies (Note 63B.(iv))	1,360,278	1,114,593
	<u>2,398,615</u>	<u>2,013,240</u>
Total	<u>2,447,777</u>	<u>2,161,797</u>
Saving deposits		
Third parties		
Rupiah	1,674,840	5,586,458
Foreign currencies (Note 63B.(iv))	13	13
Total	<u>1,674,853</u>	<u>5,586,471</u>
	<b><u>4,122,630</u></b>	<b><u>7,748,268</u></b>

Included in deposits from other banks - demand deposits are *wadiah* deposits amounted to Rp84,015 and Rp67,135, as of December 31, 2020 and 2019, respectively.

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**24. DEPOSITS FROM OTHER BANKS - demand deposits, *WADIAH* DEMAND deposits and Saving deposits**

b. Average interest rates (cost of funds) and profit sharing per annum:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Average interest rates (cost of funds) per annum:		
Demand deposits and <i>wadiah</i> demand deposits		
Rupiah	2.37%	2.51%
Foreign currencies	0.78%	0.76%
Saving deposits		
Rupiah	1.03%	1.04%
Foreign currencies	0.38%	0.40%
Range of profit sharing per annum on <i>wadiah</i> demand deposits:		
Rupiah	0.72% - 0.79%	0.73% - 0.79%

c. As of December 31, 2020 and 2019, total demand deposits, *wadiah* demand deposits and saving deposits from other banks pledged as collateral on loans and bank guarantees were amounted to Rp8,472 and Rp4,429, respectively (Notes 12B.c and 31e).

**25. DEPOSITS FROM OTHER BANKS - INTERBANK CALL MONEY**

a. By currencies:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Third Parties:		
Foreign currencies (Notes 63B.(iv))	655,829	219,360

b. By remaining period to maturity date:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Foreign currencies		
Less than 1 month	365,544	159,534
More than 1 month	290,285	59,826
Total (Note 63B.(iv))	655,829	219,360

c. Average interest rates (cost of funds) per annum:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah	4.21%	5.70%
Foreign currencies	0.69%	2.36%

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**26. DEPOSITS FROM OTHER BANKS - TIME DEPOSITS**

a. By currency:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah		
Third parties	770,307	3,386,121
Foreign currencies		
Third parties (Note 63B.(iv))	1,120,930	2,044,117
	<u><b>1,891,237</b></u>	<u><b>5,430,238</b></u>

b. By period:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah		
1 month	525,566	2,464,644
3 months	210,740	210,624
6 months	1,450	970
12 months	32,551	709,883
Total	<u>770,307</u>	<u>3,386,121</u>
Foreign currencies		
1 month	204,474	-
3 months	421,500	1,558,230
6 months	126,450	-
12 months	87,506	69,413
More than 12 months	281,000	416,474
Total (Note 63B.(iv))	<u>1,120,930</u>	<u>2,044,117</u>
	<u><b>1,891,237</b></u>	<u><b>5,430,238</b></u>

c. Average interest rates (cost of funds) per annum:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah	5.01%	5.97%
Foreign currencies	1.56%	2.23%

- d. As of December 31, 2020 and 2019, time deposits from other banks pledged as collateral on loans amounted Rp62,201 and Rp69,892, respectively (Note 12B.c).

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**27. LIABILITY TO UNIT-LINK HOLDERS**

This account represents Subsidiary's liabilities to unit-link holders placed in unit-link investment, with details as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Non-Sharia	26,848,672	22,955,397
Sharia	1,001,864	1,082,261
	<u><b>27,850,536</b></u>	<u><b>24,037,658</b></u>

Underlying assets of the above policyholders' investment in unit-link contracts are financial assets mainly consist of cash, marketable securities and government bonds. As of December 31, 2020 and 2019, the investment of policyholders were recorded based on each type of the underlying financial assets in the consolidated statement of financial position.

Included in the unit-link policyholders' investments in are policyholders' fund in foreign currency as of December 31, 2020 and 2019, amounted to USD312,246,401 (full amount) and USD81,484,916 (full amount), respectively.

The details of non-sharia unit-link investments based on the type of contracts are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Dynamic Money	15,331,987	14,081,103
Attractive Money	3,840,183	4,539,564
Mandiri Golden Offshore	2,058,913	277,735
Progressive Money	1,948,740	1,928,159
Equity Fund Offshore	1,775,954	583,457
Excellent Equity	623,076	690,323
Balance Fund Offshore	386,471	161,853
Protected Money	175,918	216,654
Active Money	144,078	151,214
Secure Money	144,008	80,385
Fixed Money	119,131	67,979
Mandiri Equity Money	86,438	27,869
Money Market	85,035	63,615
Mandiri Flexible Equity Offshore	61,620	45,694
Mandiri Multi Asset Balanced Offshore	27,174	20,336
Mandiri Global Offshore	20,225	7,919
Prime Equity	19,721	5,357
Money Market CS	-	6,181
	<u><b>26,848,672</b></u>	<u><b>22,955,397</b></u>

Dynamic money

This is an equity fund with underlying exposures in stocks listed in Indonesia Stock Exchange and money market instruments through mutual fund Schroder *Dana Prestasi Dinamis*.

Attractive money

This is an equity fund with underlying exposures in stocks and bonds listed in Indonesia Stock Exchange and money market instruments through mutual fund *Mandiri Saham Atraktif*.

Mandiri Golden Offshore

Equity-based mutual funds with underlying exposures of equity traded in offshore market.

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**27. LIABILITY TO UNIT-LINK HOLDERS (continued)**

Progressive money

This is a balanced fund with underlying exposures in stocks and bonds listed in Indonesia Stock Exchange and money market instruments through mutual fund Schroder *Dana Campuran Progresif*.

Equity Fund Offshore

Equity-based mutual funds from foreign markets managed by Subsidiary.

Excellent equity

This is an equity fund with underlying exposures in small cap equities (exclude top 20, largest capitalisation shares) traded in Indonesia Stock Exchange and money market instruments through mutual fund Mandiri Dynamic Equity.

Balance Fund Offshore

Mutual funds whose composition is a mixture of equity and bonds from foreign markets managed by Subsidiary.

Protected money

This is a placement of funds based on combination with investments in stocks and bonds traded on the Indonesia Stock Exchange and money market instruments with maturities less than 1 year.

Active money

This is a balanced fund with underlying exposures in stocks and bonds listed in Indonesia Stock Exchange and money market instruments through mutual fund *Mandiri Aktif*.

Secure money

Secure Money Rupiah is a fixed income fund with underlying exposures in fixed income securities listed in Indonesia Stock Exchange and money market instruments through mutual fund Schroder *Dana Obligasi Mantap*. Funding in USD has underlying exposures in fixed income securities listed in Indonesia Stock Exchange as well as foreign stock exchanges and money market instruments through mutual fund *Investa Dana Dollar Mandiri*.

Fixed money

This is a fixed income fund with underlying exposures in Indonesian Government Bonds and money market instruments through mutual fund Mandiri *Investa Dana Obligasi II*.

Mandiri Equity Money

Fund placements with LQ45 domestic equity investment instruments through the LQ45 Mandiri Index mutual fund managed by Mandiri Investment Management.

Money Market

This is money market fund with underlying exposures in money market instrument including term deposits and fixed income securities listed in Indonesia Stock Exchange through mutual fund Mandiri *Investa Pasar Uang*.

Mandiri Flexible Equity Offshore

Balanced fund with underlying exposures in Equity and Money Market in foreign markets.

Mandiri Multi Asset Balanced Offshore

Balanced fund with underlying exposure in Equity, Fixed Income and Money Market listed in Foreign Markets.

Mandiri Global Offshore

Balanced fund with underlying exposures in Equity and Money Market listed in Foreign Markets.

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**27. LIABILITY TO UNIT-LINK HOLDERS (continued)**

Prime Equity

Placement of funds based on combination with the investment in stocks traded in Indonesia Stock Exchange and money market instruments through mutual fund AXA *Maestro Saham*.

Money Market CS

This is a fixed income fund with underlying exposures in money market instrument, especially for term deposits based on sharia principles.

The details of sharia unit-link investments based on the type of contracts are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Attractive Money Sharia	739,275	852,174
Active Money Sharia	169,683	151,515
Amanah Equity Sharia	60,766	53,630
Advanced Commodity Sharia	26,397	24,509
Amanah Fixed Income	4,503	358
Amanah Money Market Sharia	1,240	75
<b>Total</b>	<b><u>1,001,864</u></b>	<b><u>1,082,261</u></b>

The policyholders' funds - sharia placed in statutory deposits as of December 31, 2020 and 2019, amounted to Rp10,000 and RpNil, respectively.

Attractive Money Sharia

This is an equity fund with underlying exposures in stocks and bonds listed in Indonesia Stock Exchange and money market instruments in accordance with sharia principle through mutual fund Mandiri *Syariah Atraktif*.

Active Money Sharia

This is a balanced fund with underlying exposures in stocks and bonds listed in Indonesia Stock Exchange and money market instruments in accordance with sharia principle through mutual fund Mandiri *Berimbang Syariah Aktif*.

Amanah Equity Sharia

This is an equity fund with underlying exposures in stocks listed in Indonesia Stock Exchange and money market instruments in accordance with sharia principle through mutual fund *BNP Paribas Pesona Amanah*.

Advanced Commodity Sharia

This is an equity fund with underlying exposures mainly in commodity and commodity - related stocks that listed in Indonesia Stock Exchange and money market instruments in accordance with sharia principle through mutual fund *Mandiri Komoditas Syariah Plus*.

Amanah Fixed Income

Sharia mutual fund with underlying exposures of Sukuk and Sharia Government Bonds.

Amanah Money Market Sharia

A Fixed Income Mutual Fund with underlying exposures of Sharia Money Market and Sharia Fixed Income Marketable Securities.

These consolidated financial statements are originally issued in the Indonesian language.

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**28. SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE**

December 31, 2020						
Securities	Nominal value	Start date	Maturity date	Buy back value	Unamortised interest expense	Net value
Rupiah						
Third Parties						
PBS021	110,000	01/04/2020	31/03/2021	113,067	1,310	111,757
<b>Total Rupiah</b>	<b>110,000</b>			<b>113,067</b>	<b>1,310</b>	<b>111,757</b>
Foreign currencies						
Third Parties						
FR0063	636,268	13/02/2019	14/02/2022	467,584	17,182	450,402
Bond INDOIS-010328	224,800	05/05/2020	29/04/2021	221,090	1,269	219,821
Bond INDOIS-290327	140,500	05/05/2020	29/04/2021	136,284	782	135,502
Bond INDOIS-290322	126,450	17/11/2020	29/04/2021	125,781	330	125,451
Bond INDOIS-280525	84,300	05/05/2020	29/04/2021	84,128	483	83,645
Bond INDON-140230	56,200	05/05/2020	29/04/2021	51,262	294	50,968
Bond INDON-050521	42,150	17/11/2020	29/04/2021	41,363	109	41,254
Bond ROI-100924	56,200	06/03/2019	07/03/2022	40,820	-	40,820
Bond ROI-290326	42,150	06/03/2019	07/03/2022	30,646	-	30,646
Bond INDON-250422	28,100	17/11/2020	29/04/2021	28,113	74	28,039
Bond PERTM-030522	14,050	06/03/2019	07/03/2022	11,763	-	11,763
<b>Total foreign currencies (Note 63B.(iv))</b>	<b>1,451,168</b>			<b>1,238,834</b>	<b>20,523</b>	<b>1,218,311</b>
<b>Total</b>	<b>1,561,168</b>			<b>1,351,901</b>	<b>21,833</b>	<b>1,330,068</b>

December 31, 2019						
Securities	Nominal value	Start date	Maturity date	Buy back value	Unamortised interest expense	Net value
Rupiah						
Third Parties						
FR0078	362,000	26/12/2019	09/01/2020	351,634	410	351,224
FR0064	240,000	02/12/2019	02/01/2020	203,182	30	203,152
FR0053	215,000	26/12/2019	09/01/2020	200,678	233	200,445
FR0070	156,000	27/12/2019	10/01/2020	150,319	196	150,123
FR0078	124,000	26/12/2019	09/01/2020	120,449	140	120,309
PBS019	100,000	16/12/2019	13/01/2020	101,474	178	101,296
PBS019	100,000	17/12/2019	14/01/2020	101,238	192	101,046
PBS019	50,000	17/12/2019	17/03/2020	51,087	564	50,523
PBS011	15,000	16/10/2019	15/01/2020	15,334	33	15,301
PBS014	10,000	10/12/2019	07/01/2020	9,502	8	9,494
<b>Total Rupiah</b>	<b>1,372,000</b>			<b>1,304,897</b>	<b>1,984</b>	<b>1,302,913</b>
Foreign currencies						
Third Parties						
FR0063	636,268	13/02/2019	14/02/2022	427,897	10,912	416,985
Bond INDON-171023	277,650	03/12/2019	03/03/2020	301,247	700	300,547
Bond INDON-080126	201,296	03/12/2019	03/03/2020	220,858	513	220,345
Bond ADGB-030521	208,238	16/12/2019	16/03/2020	201,296	478	200,818
Bond INDON-080126	138,825	23/12/2019	08/01/2020	152,335	73	152,262
Bond INDON-150125	118,001	26/09/2019	15/01/2020	124,440	402	124,038
Bond KUWIB-200322	111,060	16/12/2019	16/03/2020	109,106	258	108,848
Bond INDOIS-280525	97,178	08/07/2019	08/01/2020	101,767	552	101,215
Bond INDON-250422	97,178	26/09/2019	15/01/2020	99,536	322	99,214
Bond INDOIS-290322	83,295	10/07/2019	10/01/2020	84,421	463	83,958
Bond INDON-171023	69,413	23/12/2019	08/01/2020	75,157	36	75,121
Bond ADGB-111022	69,413	23/12/2019	16/09/2020	71,274	508	70,766
Bond INDON-130320	69,413	10/07/2019	10/01/2020	71,133	390	70,743
Bond INDON-150124	55,530	23/12/2019	10/01/2020	62,184	34	62,150
Bond INDON-080126	41,648	23/12/2019	08/01/2020	45,701	22	45,679
Bond INDOIS-200229	41,648	23/12/2019	08/01/2020	45,296	21	45,275
Bond INDON-050521	41,648	10/07/2019	10/01/2020	43,285	237	43,048
Bond KUWIB-200322	41,648	23/12/2019	16/03/2020	41,570	91	41,479

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**28. SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE (continued)**

December 31, 2019						
Securities	Nominal value	Start date	Maturity date	Buy back value	Unamortised interest expense	Net value
Foreign currencies (continued)						
Third Parties (continued)						
Bond ROI-100924	55,530	06/03/2019	07/03/2022	40,333	-	40,333
Bond INDON-080126	27,765	23/12/2019	08/01/2020	30,467	15	30,452
Bond INDON-171023	27,765	10/07/2019	10/01/2020	30,593	168	30,425
Bond ROI-290326	41,648	06/03/2019	07/03/2022	30,281	-	30,281
Bond INDOIS-100924	27,765	23/12/2019	10/01/2020	29,393	16	29,377
Bond INDOIS-290327	27,765	23/12/2019	10/01/2020	29,150	15	29,135
Bond INDON-171023	13,883	23/12/2019	10/01/2020	15,034	9	15,025
Bond PERTM-030522	13,883	06/03/2019	07/03/2022	11,623	-	11,623
Total foreign currencies (Note 63B.(iv))	2,635,354			2,495,377	16,235	2,479,142
<b>Total</b>	<b>4,007,354</b>			<b>3,800,274</b>	<b>18,219</b>	<b>3,782,055</b>

**29. ACCEPTANCE PAYABLES**

a. By currency, related parties and third parties:

	December 31, 2020	December 31, 2019
Rupiah		
Payables to other banks		
Related parties (Note 57)	1,589,841	1,849,182
Third parties	4,363,430	2,627,960
Payables to debtors		
Related parties (Note 57)	146,312	223,444
Third parties	397,400	568,597
<b>Total</b>	<b>6,496,983</b>	<b>5,269,183</b>
Foreign currencies		
Payables to other banks		
Related parties (Note 57)	-	217
Third parties	3,489,592	4,895,531
Payables to debtors		
Related parties (Note 57)	9,815	3,512
Third parties	160,119	111,396
<b>Total (Note 63B.(iv))</b>	<b>3,659,526</b>	<b>5,010,656</b>
	<b>10,156,509</b>	<b>10,279,839</b>

b. By maturity:

	December 31, 2020	December 31, 2019
Rupiah		
Less than 1 month	2,042,433	1,344,635
1 - 3 months	1,391,194	2,039,197
3 - 6 months	3,063,030	1,865,678
6 - 12 months	326	19,673
<b>Total</b>	<b>6,496,983</b>	<b>5,269,183</b>



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**29. ACCEPTANCE PAYABLES (continued)**

b. By maturity (continued):

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Foreign currencies		
Less than 1 month	1,490,487	1,543,956
1 - 3 months	1,724,291	2,035,902
3 - 6 months	439,595	1,386,521
6 - 12 months	5,153	44,277
Total (Note 63B.(iv))	3,659,526	5,010,656
	<b>10,156,509</b>	<b>10,279,839</b>

**30. DEBT SECURITIES ISSUED**

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Rupiah		
Related parties (Note 57)		
Bonds	10,033,100	10,638,100
Subordinated notes sharia <i>mudharabah</i>	58,000	58,000
	10,091,100	10,696,100
Third parties		
Bonds	10,264,900	10,916,570
Subordinated notes sharia <i>mudharabah</i>	317,000	317,000
Mandiri travelers' cheques	65,086	65,417
	10,646,986	11,298,987
	20,738,086	21,995,087
Foreign currencies (Note 63B.(iv))		
Third parties		
Bonds	17,444,677	10,321,418
	38,182,763	32,316,505
Less: unamortised debt issuance cost	(71,291)	(71,235)
<b>Net</b>	<b>38,111,472</b>	<b>32,245,270</b>

**Bonds**

Rupiah

Bank Mandiri

On May 12, 2020, Bank Mandiri issued Continuing Bond II Bank Mandiri Phase I 2020 ("Continuing Bond II Phase I") with total nominal value Rp1,000,000, which consist of 2 (two) series:

<b>Bonds</b>	<b>Nominal value</b>	<b>Fixed interest rate per annum</b>	<b>Maturity date</b>
Series A	350,000	7.75%	May 12, 2025
Series B	650,000	8.30%	May 12, 2027

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**30. DEBT SECURITIES ISSUED (continued)**

**Bonds (continued)**

Rupiah (continued)

Bank Mandiri (continued)

Continuing Bond II Phase I is offered at 100% (one hundred percent) of the principal amount of bonds. The interest is paid on quarterly basis with the first interest payment was made on August 12, 2020, while the last interest payment and due date of the bonds principal will be on May 12, 2025 for Series A and May 12, 2027 for Series B which is also the due date of the principal of bonds. The payments of the bonds will be fully paid on the due date. The trustee of the bond issuance of Continuing Bond II Phase 1 is PT Bank Permata Tbk.

On September 21, 2018, Bank Mandiri issued Continuing Bond I Bank Mandiri Phase III 2018 ("Continuing Bond I Phase III") with total nominal value Rp3,000,000 as below:

Bonds	Nominal value	Fixed interest rate per annum	Maturity date
Continuing Bond I Phase III	3,000,000	8.50%	September 21, 2023

Continuing bond I phase III is offered at 100% (one hundred percent) of the principal amount of bonds. The Interest is paid on quarterly basis with the first interest payment was made on December 21, 2018, while the last interest payment and due date of the bonds principal on September 21, 2023 which is also the due date of the principal amount of bonds. The payment of the bonds will be fully paid on the due date. The trustee of the bond issuance is PT Bank Permata Tbk.

On June 15, 2017, Bank Mandiri issued Continuing Bond I Bank Mandiri Phase II 2017 ("Continuing Bond I Phase II") with total nominal value of Rp6,000,000, which consist of 4 (four) series:

Bonds	Nominal value	Fixed interest rate per annum	Maturity date
Series A	1,000,000	8.00%	June 15, 2022
Series B	3,000,000	8.50%	June 15, 2024
Series C	1,000,000	8.65%	June 15, 2027
Series D	1,000,000	7.80%	June 15, 2020

Continuing Bond I Phase II Series A, Series B and Series C are offered at 100% (one hundred percent) of the principal amount of the bonds. The interest of the bond is paid on quarterly basis, with the first payment made on September 15, 2017 while the last interest payment date of the interest and due date of the bonds principal on June 15, 2022 for Series A, June 15, 2024 for Series B, and June 15, 2027 for Series C which falls due at the maturity of each series of the bond. Continuing Bond I Phase II Series D are offered without interest at a bid price of 79.3146% (seventy nine point three one four six percent) of the bonds, which due on June 15, 2020. The payments of the bonds will be fully paid on the due date. The trustee of the Continuing Bonds I Phase II issuance is PT Bank Tabungan Negara (Persero) Tbk.

On September 30, 2016, Bank Mandiri issued Continuing Bonds I Bank Mandiri Phase I 2016 ("Continuing Bonds I Phase I") with total nominal value of Rp5,000,000 which consist of 3 (three) series:

Bonds	Nominal value	Fixed interest rate per annum	Maturity date
Series A	1,100,000	7.95%	September 30, 2021
Series B	1,500,000	8.50%	September 30, 2023
Series C	2,400,000	8.65%	September 30, 2026

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**30. DEBT SECURITIES ISSUED (continued)**

**Bonds (continued)**

Rupiah (continued)

Bank Mandiri (continued)

The interest of Continuing Bonds I Phase I is paid on quarterly basis, with the first interest payment was made on December 30, 2016 while the last interest payment and due date of the bonds' principal will fall on September 30, 2021 for series A; September 30, 2023 for series B; and September 30, 2026 for series C. The Trustee for Continuing Bonds I Phase I is PT Bank Tabungan Negara (Persero) Tbk.

During the validity period of the Bonds and prior to the repayment of the bonds, Bank Mandiri has to comply to: (i) keep maintain the overall Bank's soundness level as regulated by FSA; (ii) maintain the Bank's soundness level at a minimum in the composite level 3 (three) which is categorised as "Fair", according to internal assessment based upon on Bank Indonesia's regulation; (iii) obtain and comply with permits and approvals (from the Government and other parties) and ensure the Bank conformity to Indonesia's rules and regulations.

Bank Mandiri, without a written approval from the Trustee will not: (i) reducing the Bank's issued and fully paid up capital except such a reduction is conducted based on regulations from the Government of Indonesia or Bank Indonesia; (ii) changing in its main business; (iii) conducting merger, consolidation, or acquisitions which led to the dissolution of Bank Mandiri.

The bonds are not guaranteed by special collateral, not guaranteed referred and in accordance with to Article 1131 and Article 1132 of the Indonesian Civil Law, all the assets of the Bank, either moving objects and objects that are not moving, present or future, shall be regarded as securities for the Bank's agreements including those bonds.

As of December 31, 2020 and 2019 the Pefindo's rating of Continuing Bonds I Phase III, II and Phase I is idAAA (triple A).

Subsidiaries

On November 18, 2019, The Subsidiary (Bank Mandiri Taspen) issued and registered the Continuing Bond I Phase I 2019 to Indonesia Stock Exchange with total nominal value of Rp1,000,000 in which comprised of 2 (two) series:

<u>Bonds</u>	<u>Nominal value</u>	<u>Fixed interest rate per annum</u>	<u>Maturity date</u>
Series A	700,000	7.90%	November 10, 2022
Series B	300,000	8.20%	October 30, 2024

Bonds interest were paid on quarterly basis, with the first interest payment was made on February 26, 2020, while the last interest payment and maturity of the bonds on November 10, 2022 for Series A and October 30, 2024 for Series B which also the due date for principal repayment of each bond.

Trustee for Continuing Bond I Phase I Bank Mantap on 2019 is PT Bank Permata Tbk., as of December 31, 2020 and 2019, Continuing Bond I Phase I Bank Mantap 2019 is rated AA (idn) by PT Fitch Rating Indonesia.

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**30. DEBT SECURITIES ISSUED (continued)**

**Bonds (continued)**

Rupiah (continued)

Subsidiaries (continued)

On July 11, 2017, the Subsidiary (Bank Mandiri Taspen) issued and registered the Bond I Bank Mantap year 2017 to Indonesia Stock Exchange with total nominal value of Rp2,000,000 in which comprised of 2 (two) series:

Bonds	Nominal value	Fixed interest rate per annum	Maturity date
Series A	1,500,000	8.50%	July 11, 2020
Series B	500,000	8.75%	July 11, 2022

Bonds interest were paid on quarterly basis, with the first interest payment was made on October 11, 2017, while the last interest payment and maturity of the bonds on July 11, 2020 for Series A and July 11, 2022 for Series B that also the due date for principal repayment for each bond.

Trustee for Bond I Bank Mantap on 2017 is PT Bank Tabungan Negara (Persero) Tbk. on December 31, 2020 and 2019, rank of Bond I Bank Mantap on 2017 according to PT Fitch Rating Indonesia is AA (idn).

During the validity period of the Bonds and prior to the repayment of the bonds, Bank Mandiri has to comply to: (i) keep maintain the overall Bank's soundness level as regulated by FSA; (ii) maintain the Bank's soundness level at a minimum in the composite level 3 (three) which is categorised as "Fair", according to internal assessment based upon on Bank Indonesia's regulation; (iii) obtain and comply with permits and approvals (from the Government and other parties) and ensure the Bank conformity to Indonesia's rules and regulations.

Without written approval from Trustee, the Bank will not be able to: (i) decrease equity investment unless there are new regulations from government or Bank Indonesia; (ii) change its nature of business; (iii) do the merger, consolidation, acquisition with other entities which results in Bank's discontinued operation.

On July 26, 2019 the Subsidiary (PT Mandiri Tunas Finance) issued and registered Continuing Bonds IV Mandiri Tunas Finance Phase II Year 2019 ("Continuing Bonds IV Phase II") to the Indonesia Stock Exchange with total nominal value of Rp2,000,000 which consist of 2 (two) series:

Bonds	Nominal value	Fixed interest rate per annum	Maturity date
Series A	1,342,000	8.90%	July 26, 2022
Series B	658,000	9.50%	July 26, 2024

The trustee for Continuing Bonds IV Phase II is PT Bank Rakyat Indonesia (Persero) Tbk.

On January 8, 2019 the Subsidiary (PT Mandiri Tunas Finance) issued and registered Continuing Bonds IV Mandiri Tunas Finance Phase I Year 2019 ("Continuing Bonds IV Phase I") to the Indonesia Stock Exchange with total nominal value of Rp1,000,000 which consist of 2 (two) series:

Bonds	Nominal value	Fixed interest rate per annum	Maturity date
Series A	800,000	9.40%	January 8, 2022
Series B	200,000	9.75%	January 8, 2024

The trustee for Continuing Bonds IV Phase I is PT Bank Rakyat Indonesia (Persero) Tbk.

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**30. DEBT SECURITIES ISSUED (continued)**

**Bonds (continued)**

Rupiah (continued)

Subsidiaries (continued)

The trustee agreement provide several negative covenants to the Subsidiary, including, collateral with fiduciary transfer of consumer financing receivables and debt to equity ratio at the maximum of 10:1. Moreover, during the validity period of the bonds, the Subsidiary shall not conducting merger unless under similar business, selling or transferring assets to other parties, either all or most, over 50%, except for Subsidiary's normal course of business.

As of December 31, 2020 and 2019 based on Pefindo's rating, the Continuing Bonds IV Phase II and I was rated idAA+ (double A plus).

On June 6, 2017 the Subsidiary (PT Mandiri Tunas Finance) issued and registered Continuing Bonds III Mandiri Tunas Finance Phase II 2017 ("Continuing Bonds III Phase II") to the Indonesia Stock Exchange with total nominal value of Rp850,000 which consist of 2 (two) series:

Bonds	Nominal value	Fixed interest rate per annum	Maturity date
Series A	610,000	8.50%	June 6, 2020
Series B	240,000	8.85%	June 6, 2022

The trustee for Continuing Bonds III Phase II issuance is PT Bank Mega Tbk.

On October 7, 2016, the Subsidiary (PT Mandiri Tunas Finance) issued and registered Continuing Bonds III Mandiri Tunas Finance Phase I 2016 ("Continuing Bonds III Phase I") to the Indonesia Stock Exchange with total nominal value of Rp500,000 which consist of 2 (two) series:

Bonds	Nominal value	Fixed interest rate per annum	Maturity date
Series A	400,000	8.20%	October 7, 2019
Series B	100,000	8.55%	October 7, 2021

The trustee for Continuing Bonds III Phase I is PT Bank Mega Tbk.

The trustee agreement provide several negative covenants to the Subsidiary, including, collateral with fiduciary transfer of consumer financing receivables and debt to equity ratio at the maximum of 10:1. Moreover, during the validity period of the bonds, the Subsidiary shall not conducting merger unless under similar business, selling or transferring assets to other parties, either all or most, over 50%, except for Subsidiary's normal course of business.

As of December 31, 2020 and 2019, based on Pefindo's rating, the Continuing Bonds III Phase II and I was rated idAA+ (double A plus).

On June 1, 2016, the Subsidiary (PT Mandiri Tunas Finance) issued and registered Continuing Bonds II Mandiri Tunas Finance Phase II 2016 ("Continuing Bonds II Phase II") to the Indonesia Stock Exchange with total nominal value of Rp1,400,000, which comprise of 2 (two) series:

Bonds	Nominal value	Fixed interest rate per annum	Maturity date
Series A	720,000	8.95%	June 1, 2019
Series B	680,000	9.25%	June 1, 2021

The trustee for Continuing Bonds II Phase II issuance is PT Bank Mega Tbk. On June 1, 2019, Series A Continuing Bonds II has matured.

As of December 31, 2020 and 2019, based on Pefindo's rating, the Continuing Bonds II Phase II was rated idAA+ (double A plus).

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**30. DEBT SECURITIES ISSUED (continued)**

**Bonds (continued)**

Rupiah (continued)

Subsidiaries (continued)

On December 18, 2015, the Subsidiary (PT Mandiri Tunas Finance) issued and registered Continuing Bonds II Phase I 2015 ("Continuing Bonds II Phase I") to the Indonesia Stock Exchange with total nominal value of Rp600,000, which consist of 2 (two) series:

Bonds	Nominal value	Fixed interest rate per annum	Maturity date
Series A	500,000	10.20%	December 18, 2018
Series B	100,000	10.80%	December 18, 2020

The trustee for Continuing Bonds II Phase I issuance is PT Bank Mega Tbk.

The trustee agreement provide several negative covenants to the Subsidiary, including, collateral with fiduciary transfer of consumer financing receivables and debt to equity ratio at the maximum of 10:1. Moreover, during the validity period of the bonds, the Subsidiary shall not conducting merger unless under similar business, selling or transferring assets to other parties, either all or most, over 50%, except for Subsidiary's normal course of business.

The Continuing Bonds II Phase II and I Series B based on Pefindo's rating as of December 31, 2020 and 2019 are rated idAA+ (double A plus).

Continuing Bond III Phase II Series A at principal value amounted to at Rp610,000, Continuing Bond III Phase I Series A at principal value amounted to Rp400,000, Continuing Bond II Phase II Series A amounted to Rp720,000 and Continuing Bond II Phase I Series A at principal value amounted to Rp500,000 and Series B amounted to Rp 100,000 was fully paid on due date.

On August 13, 2020, the Subsidiary (PT Mandiri Tunas Finance) issued and registered Continuing Bonds V Mandiri Tunas Finance Phase I 2020 ("Continuing Bonds II Phase I") to the Indonesia Stock Exchange with total nominal value of Rp858.000 which comprises of 2 (two) series:

Bonds	Nominal value	Fixed interest rate per annum	Maturity date
Series A	472,000	8.00%	August 13, 2023
Series B	386,000	8.60%	August 13, 2025

The trustee for Continuing Bonds V Phase I issuance is PT Bank Rakyat Indonesia (Persero) Tbk.

The trustee agreement provide several negative covenants to the Subsidiary, including, collateral with fiduciary transfer of consumer financing receivables and debt to equity ratio at the maximum of 10:1. Moreover, during the validity period of the bonds, the Subsidiary shall not conducting merger unless under similar business, selling or transferring assets to other parties, either all or most, over 50%, except for Subsidiary's normal course of business.

The Continuing Bonds V Phase I based on Pefindo's rating as of December 31, 2020 and 2019 are rated idAA+ (double A plus).

On December 31, 2020, all debt securities issued by PT Mandiri Tunas Finance are secured by consumer financing receivables amounted to Rp1,467,703 (December 31, 2019: Rp2,410,460) (Note 13f) and net investment finance leases amounted to Rp1,042,047 (December 31, 2019: Rp427,540) (Note 14f).

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**30. DEBT SECURITIES ISSUED (continued)**

**Bonds (continued)**

Foreign Currency

On May 13, 2020 Bank Mandiri issued Euro Medium Term Notes (EMTN) with total nominal value of USD500,000,000 (full amount) as follow:

Bonds	Nominal value	Fixed interest rate per annum	Maturity date
Euro Medium Term Notes	USD500,000,000	4.75%	May 13, 2025

Euro Medium Term Notes is offered at 99.255% (ninety nine point two five five percent) of the principal amount of bonds. The Interest is paid on semi-annual basis with the first interest payment was made on November 13, 2020, while the last interest payment and due date of the bonds principal on May 13, 2025 which is also the due date of the principal amount of bonds. The trustee of the bond issuance is Bank of New York Mellon.

As of December 31, 2020, EMTN is rated Baa2 (Moody's) and BBB- (Fitch)

On April 11, 2019 Bank Mandiri issued Euro Medium Term Notes (EMTN) with total nominal value of USD750,000,000 (full amount) as follow:

Bonds	Nominal value	Fixed interest rate per annum	Maturity date
Euro Medium Term Notes	USD750,000,000	3.75%	April 11, 2024

Euro Medium Term Notes is offered at 98.998% (ninety eight point nine nine eight percent) of the principal amount of bonds. The Interest is paid on semi-annual basis with the first interest payment was made on October 11, 2019, while the last interest payment and due date of the bonds principal on April 11, 2024 which is also the due date of the principal amount of bonds. The trustee of the bond issuance is Bank of New York Mellon.

As of December 31, 2020 and 2019, EMTN is rated Baa2 (Moody's) and BBB- (Fitch).

**Subordinated notes sharia *mudharabah***

On December 22, 2016, the Subsidiary, PT Bank Syariah Mandiri has issued subordinated sukuk *mudharabah* ("sukuk *mudharabah*") BSM 2016 with total nominal value of Rp375,000. Sukuk *Mudharabah* are long term securities debt tenor 7 years with the following terms and conditions as follow:

- Profit sharing is calculated by multiplying at the revenue-sharing portion of the *mudharabah* sukuk holders and revenue which can be shared and based on the available last-quarter unaudited financial statements and approved by BSM's Directors not later than 10 (ten) days before the due date of the profit sharing.
- The profit sharing was generated from the revenue of BSM's portfolio in Rupiah (blended) amounted to 7 (seven) times of sukuk *mudharabah* Funds denominated in rupiah which held by the issuer, which generated from one (1) quarter as stated in BSM's unaudited financial statements.
- The *Nisbah* of the sukuk *mudharabah* holders' is 27.07% per annum of the profit sharing which is paid on quarterly basis.

Sukuk *mudharabah* is not guaranteed by special collateral nor guaranteed by the Republic of Indonesia or other third parties and is not included in the Bank guarantee program implemented by Bank Indonesia or other guarantee institution in accordance to the prevailing law and regulation article 17 paragraph (1) letter f of FSA's Regulation No. 21/POJK.03/2014 dated November 18, 2014 concerning the Minimum Capital Requirement for Sharia Banks. Sukuk *mudharabah* are subordinated Subsidiary's liability.

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**30. DEBT SECURITIES ISSUED (continued)**

**Subordinated notes sharia *mudharabah* (continued)**

During the validity period of sukuk *mudharabah* and before the redemption of all of principal and profit sharing, BSM is obliged to: (i) maintain the CAR (Capital Adequacy Ratio) at minimum 12% (twelve percent); (ii) ensure sukuk *mudharabah* holders at maximum 50 (fifty) investors; (iii) submit to the trustee as follows: the financial statements (audited) at maximum the 4th month after the date of financial statements, quarterly financial statements (unaudited) at maximum the 1st month after the date of financial statements, the financial statements which used to calculate the profit sharing and BSM's soundness rating report and self-assessment of Good Corporate Governance implementation to the FSA.

BSM without written approval from the monitoring agent will not do the following: (i) reduce the issued and paid-in capital; (ii) undergo a change in its main business; (iii) undergo a merger, consolidation, reorganization, except such changes are in accordance with regulations from the Government of Indonesia or Bank Indonesia; (iv) conduct a merger, consolidation, acquisition with another entity that will result in the dissolution of BSM.

Acting as the trustee of subnotes *mudharabah* is PT Bank Mandiri (Persero) Tbk. The rating of subordinated notes as of December 31, 2020 and 2019, based on Pefindo's rating is idAA<sub>(sy)</sub> (double A minus sharia).

Bank Mandiri and the subsidiaries have paid the interest of debt securities issued in accordance to schedule interest payment during the years ended December 31, 2020 and 2019.

During the years ended December 31, 2020 and 2019, Bank Mandiri and the subsidiaries have fulfilled the requirements as set out in the agreement of issued debt securities issued.

**31. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES**

- a. Transactions of commitments and contingencies in the ordinary course of business of Bank Mandiri and its Subsidiaries activities that have credit risk are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah		
Bank guarantees issued (Note 55)	57,840,853	55,897,947
Unused loan facilities <sup>*)</sup>	58,012,366	17,215,992
Outstanding irrevocable letters of credit (Note 55)	4,870,999	4,552,680
Standby letters of credit (Note 55)	2,022,517	2,724,906
Total	<u>122,746,735</u>	<u>80,391,525</u>
Foreign currencies		
Bank guarantees issued (Note 55)	40,427,490	40,565,449
Unused loan facilities <sup>*)</sup>	20,486,279	21,944,810
Outstanding irrevocable letters of credit (Note 55)	10,574,372	13,012,673
Standby letters of credit (Note 55)	8,451,800	11,073,182
Total	<u>79,939,941</u>	<u>86,596,114</u>
	<b><u>202,686,676</u></b>	<b><u>166,987,639</u></b>

<sup>\*)</sup> Include committed and uncommitted credit card facilities



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**31. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES (continued)**

- a. Transactions of commitments and contingencies in the ordinary course of business of Bank Mandiri and its Subsidiaries activities that have credit risk are as follows (continued):

Movements in carrying amount of commitments and contingencies classified as amortised cost upon stage for the year ended December 31, 2020:

	December 31, 2020				
	Stage 1	Stage 2	Stage 3	Sharia <sup>1)</sup>	Total
Beginning balance <sup>2)</sup>	206,242,757	6,379,892	71,326	1,625,589	214,319,564
Transfer to:					
-12 months expected credit losses (stage 1)	104,769	(77,010)	(27,759)	-	-
-Lifetime expected credit losses - unimpaired (stage 2)	(2,980,452)	2,982,745	(2,293)	-	-
-Lifetime expected credit losses - impaired (stage 3)	(19,815)	(213,167)	232,982	-	-
Total beginning balance after transfer	203,347,259	9,072,460	274,256	1,625,589	214,319,564
Remeasurement of net carrying amount	3,646,005	3,556	(38,734)	-	3,610,827
New commitments and contingencies originated or purchased	102,999,615	7,089,739	93,562	538,257	110,721,173
Commitments and contingencies derecognised	(118,128,370)	(7,199,464)	(62,990)	(574,064)	(125,964,888)
Total increase/(decrease) during the year	(11,482,750)	(106,169)	(8,162)	(35,807)	(11,632,888)
<b>Ending balance</b>	<b>191,864,509</b>	<b>8,966,291</b>	<b>266,094</b>	<b>1,589,782</b>	<b>202,686,676</b>

<sup>1)</sup> Not implement SFAS 71

<sup>2)</sup> Including the unused credit facilities for credit cards amounting to Rp36,174,255

- b. By Bank Indonesia's collectibility:

	December 31, 2020	December 31, 2019
Current	199,696,169	165,471,035
Special mention	2,728,177	1,468,886
Substandard	10,748	15,731
Doubtful	4,285	15,788
Loss	247,297	16,199
Total	202,686,676	166,987,639
Less: allowance for impairment losses	(3,471,534)	(386,039)
<b>Commitments and contingencies - net</b>	<b>199,215,142</b>	<b>166,601,600</b>

- c. Movements of allowance for impairment losses on commitments and contingencies:

	December 31, 2020	December 31, 2019
Beginning balance	386,039	125,729
First implementation of SFAS 71 (Note 68)	1,844,775	-
Allowance during the year	1,221,532	262,215
Others <sup>*)</sup>	19,188	(1,905)
<b>Ending balance</b>	<b>3,471,534</b>	<b>386,039</b>

<sup>\*)</sup> Included the effect of foreign currencies translation.

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**31. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES (continued)**

c. Movements of allowance for impairment losses on commitments and contingencies (continued):

	December 31, 2020				
	Stage 1	Stage 2	Stage 3	Sharia <sup>1)</sup>	Total
Beginning balance	14,889	333,296	21,114	16,740	386,039
Impact of first implementation of SFAS71 (Note 68)	750,599	1,081,158	13,018	-	1,844,775
Beginning balance of SFAS 71	765,488	1,414,454	34,132	16,740	2,230,814
Transfer to:					
-12 months expected credit losses (stage 1)	21,822	(17,739)	(4,083)	-	-
-Lifetime expected credit losses					
- unimpaired (stage 2)	(12,327)	12,481	(154)	-	-
-Lifetime expected credit losses					
- impaired (stage 3)	(3,984)	(73,961)	77,945	-	-
Total beginning balance after transfer	770,999	1,335,235	107,840	16,740	2,230,814
Remeasurement of net carrying amount	(39,411)	833,671	90,810	(919)	884,151
New financial assets originated or purchased	246,723	2,447,114	25,310	-	2,719,147
Financial assets derecognised	(254,676)	(2,081,777)	(45,313)	-	(2,381,766)
Total allowance/(reversal) during the year	(47,364)	1,199,008	70,807	(919)	1,221,532
Others	10,148	8,982	-	58	19,188
<b>Ending balance</b>	<b>733,783</b>	<b>2,543,225</b>	<b>178,647</b>	<b>15,879</b>	<b>3,471,534</b>

<sup>1)</sup> Not implement SFAS 71

Management believes that the allowance for impairment losses on commitments and contingencies is adequate.

d. Information in respect of classification of “unimpaired” and “impaired” is disclosed in Note 63A.

e. Deposits from customers and deposits from other banks pledged as collateral for bank guarantee and irrevocable letters of credit as of December 31, 2020 and 2019 were amounted to Rp6,190,905 and Rp5,822,663, respectively (Notes 21c and 24c).

**32. ACCRUED EXPENSES**

	December 31, 2020	December 31, 2019
Interest expense	1,463,178	1,747,159
Fixed asset and software procurement	1,312,901	2,360,967
Outsourcing expenses	169,556	361,851
Promotions	634,752	236,507
Employee related costs: training, uniform, recreation and others	84,344	99,725
Professional service costs	43,871	49,719
Others	1,942,183	1,359,633
<b>Total</b>	<b>5,650,785</b>	<b>6,215,561</b>

Included in the fixed asset and software procurement are payables to vendors related with operational and maintenance activities for buildings, equipments, software, ATM machines and Group IT System.

Others consists of accrued expenses related to fees to be paid to FSA and Bank’s operational activities, such as data communication costs and costs of electricity, water and gas.

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**33. TAXATION**

**a. Prepaid taxes**

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Bank Mandiri	2,083,970	974,947
Subsidiaries	94,788	201,653
<b>Total</b>	<b>2,178,758</b>	<b>1,176,600</b>

**b. Taxes payable**

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
<b>Current income taxes payable</b>		
Bank Mandiri	549,493	68,316
Subsidiaries	269,896	194,454
<b>Total</b>	<b>819,389</b>	<b>262,770</b>

**Others income taxes payable**

**Bank Mandiri**

Income Tax		
Article 25	178,860	153,855
Article 21	120,190	165,989
Article 4 (2)	245,381	317,389
Others	170,520	141,018

	714,951	778,251
<b>Subsidiaries</b>	227,137	245,952
	942,088	1,024,203
<b>Total</b>	<b>1,761,477</b>	<b>1,286,973</b>

**c. Tax expense/(benefit)**

	<b>Year ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Tax expense - current:		
Bank Mandiri		
Current year	3,934,648	6,317,547
Prior year	175,592	201,197
Subsidiaries	1,100,729	1,116,390
	5,210,969	7,635,134
Tax expense/(benefit) - deferred:		
Bank Mandiri	729,905	462,046
Subsidiaries	(288,457)	(111,332)
	441,448	350,714
<b>Total</b>	<b>5,652,417</b>	<b>7,985,848</b>

As explained in Note 2ad, income tax for Bank Mandiri and its Subsidiaries are calculated for each company as a separate legal entity.

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**33. TAXATION (continued)**

**d. Tax expense - current**

The reconciliation between income before tax as shown in the consolidated statement of comprehensive income and income tax calculation and the related estimate of the current tax expense for Bank Mandiri and its Subsidiaries are as follows:

	<b>Year ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Consolidated income before tax		
expense and non-controlling interests	23,298,041	36,441,440
Less:		
Income before tax expense of Subsidiaries - after elimination	(7,271,858)	(6,042,823)
Impact of changes in recording investment from equity method to cost method	2,969,281	2,032,153
Income before tax expense and non-controlling interest - Bank Mandiri only	18,995,464	32,430,770
Add/(deduct) permanent differences:		
Non-deductible expenses/(non-taxable income)	755,852	839,557
Others	2,251	58,709
Add/(deduct) temporary differences:		
Allowance for impairment losses on loans and write-offs	(163,304)	(1,355,733)
Allowance for impairment losses on financial assets other than loans	55,160	(396,531)
Provision for post-employment benefit expense, provisions for bonuses, leave and holiday (THR) entitlements	(268,423)	(231,318)
Allowance for estimated losses arising from legal cases	(37,973)	(1,056)
Provision for estimated losses on commitments contingencies	1,368,950	249,448
Depreciation of fixed assets	17,480	77,192
Unrealised losses/gains on decrease/increase in fair fair value of marketable securities and government bonds - fair value through profit or loss	(16,498)	(79,213)
Allowance for possible losses of abandoned Properties	(283)	(4,092)
Estimated taxable income	20,708,676	31,587,733
Estimated tax expense - current		
Bank Mandiri only		
Tax expense - current: current year	3,934,648	6,317,547
Tax expense - current: prior year	175,592	201,197
Subsidiaries	1,100,729	1,116,390
<b>Total</b>	<b>5,210,969</b>	<b>7,635,134</b>

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**33. TAXATION (continued)**

**d. Tax expense - current (continued)**

Tax on Bank Mandiri and Subsidiaries (Group)'s profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits on the consolidated entities are follows:

	Years ended December 31,	
	2020	2019
Consolidated income before tax expense and noncontrolling interest	23,298,041	36,441,440
Tax calculated at applicable tax rates	5,208,947	7,996,860
<b>Income tax effect of:</b>		
<b>Bank Mandiri</b>		
Income not subject to tax and final tax	(193,559)	(199,622)
Expenses not deductible for tax purposes	370,534	407,773
Prior year tax audit result	175,592	201,197
Estimated taxable income	352,567	409,348
Subsidiaries	90,903	(420,360)
Total tax effect	443,470	(11,012)
<b>Income tax expense</b>	<b>5,652,417</b>	<b>7,985,848</b>

According to the taxation laws of Indonesia, Bank Mandiri and Subsidiaries submit the Annual Corporate Income Tax Returns to the tax office on the basis of self assessment. The Directorate General of Taxation may assess or amend taxes within 5 (five) years from time when the tax becomes due.

Starting from 2009, Bank Mandiri has recognised written-off loans as deduction of gross profit by fulfilling the three requirements stipulated in UU No. 36 Year 2008 and Regulation of the Minister of Finance No. 105/PMK.03/2009 dated June 10, 2009, which was amended by Regulation of the Minister of Finance No. 57/PMK.03/2010 dated March 9, 2010 and Regulation of the Minister of Finance No. 207/PMK.010/2015 dated November 20, 2015.

Based on Law (UU) No. 36 Year 2008 regarding Income Tax Government Regulation (GR) No. 77 Year 2013 dated November 21, 2013 and GR No. 56 Year 2015 dated August 3, 2015 and replaced by Government Regulation No. 29 Year 2020 dated June 10, 2020 regarding Income Tax Facilities in the Context of Handling Corona Virus Disease (COVID-19) and Government Regulation No. 30 Year 2020 dated June 18, 2020 regarding Reduction of Income Tax Rates for Domestic Tax payers in the Public Companies and Regulation of the Minister of Finance No. 238/PMK.03/2008 dated December 30, 2008 regarding Procedures for Implementing and Supervising the Granting of Reduction of Income Tax Rate for Listed Resident Corporate Tax payers, a public listed company can obtain a reduction of income tax rate by 5% lower from the highest income tax rate by fulfilling several requirements which are at least 40% of the total paid-up shares are listed and traded in the Indonesia Stock Exchange, the shares are owned by at least 300 parties and each party can only own less than 5% of the total paid up shares. The above requirements must be fulfilled by the tax payer at the minimum 183 (one hundred and eighty three) calendar days in a period of 1 (one) fiscal year.

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**33. TAXATION (continued)**

**e. Tax expense - current (continued)**

Based on Law (UU) No. 2 Year 2020 dated May 18, 2020 regarding State Financial Policy and Financial System Stability for Handling the Corona Virus Disease 2019 Pandemic (COVID-19) and/or in the Context of Facing Threats that Endanger the National Economy and/or Financial System Stability ("UU No. 2 Year 2020") regulates the adjustment of the Income Tax rate for domestic corporate tax payers and permanent establishments in the form of lowering the rates of Article 17 paragraph (1) letter b of the Law regarding Income Tax to 22% (twenty two percent) for 2020 fiscal year and 2021 fiscal year and 20% (twenty percent) which apply for 2022 fiscal year. Domestic tax payers who are publicly listed companies with the total number of paid-up shares traded on the stock exchange in Indonesia are at least 40% (forty percent) and meet certain requirements, can get 3% (three percent) lower than the highest tax rate. Further provisions regarding these specific requirements are regulated by or based on Government Regulations.

Based on the Regulation of the Minister of Finance of the Republic of Indonesia Number 123/PMK.03/2020 dated September 1, 2020 concerning forms and procedure for submitting reports and taxpayers registration in the context of fulfilling the requirements for the lower income tax rate for domestic payers in the form of public companies taxpayers must submit a monthly report on share ownership of the issuer or public company and recapitulation that has been reported by the securities administration Bureau and share ownership of related parties reports as part of the annual income tax return for each fiscal year.

Based on No.DEI/I/2021-0280 dated January 8, 2021 regarding monthly report on share ownership of issuers or public companies and the reported recapitulation (attachment form POJK No. 10/POJK/04/2020) from PT Datindo Entrycom (Securities Administrative Bureau or BAE), which was submitted to Bank Mandiri, where BAE stated that Bank Mandiri has complied with the provisions of Article 3 of the Government of the Republic Indonesia Regulation No. 30 of 2020 dated June 18, 2020 concerning the reduction of Income Tax Rates for Domestic Corporate Taxpayers in the form of public companies.

The Bank believes that they can fulfill the requirements to obtain an income tax rate reduction facility for the year ended December 31, 2020 in accordance with UU No. 2 Year 2020 above, so for Bank Mandiri's corporate income tax for the year ended on December 31, 2020 is calculated using the 19% tax rate and the Bank has also adjusted the use of the tax rate for the calculation of deferred tax on December 31, 2020.

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**33. TAXATION (continued)**

**e. Deferred tax assets - net**

Deferred tax arises from temporary differences between book value based on commercial and tax are as follows:

	December 31, 2020				Ending Balance
	Beginning Balance	Impact of Beginning of SFAS 71 (charged to retained earnings on January 1, 2020)	Credited/ (charged) to consolidated statement of profit or loss and other comprehensive income	Charged to equity	
<b>Bank Mandiri</b>					
<b>Deferred tax assets:</b>					
Allowance for impairment losses	1,004,659	4,486,975	(592,521)	-	4,899,113
Provisions for post-employment benefit expense, provision for bonuses, leave and holiday (THR) entitlements	1,282,639	-	(122,896)	(85,431)	1,074,312
Loans write-off until 2008	821,309	-	(286,455)	-	534,854
Allowance for impairment losses on financial assets other than loans	364,489	403,081	(49,104)	-	718,466
Estimated losses on commitments and contingencies	72,538	-	256,474	-	329,012
Allowance for estimated losses arising from legal cases	33,882	-	(8,909)	-	24,973
Allowance for possible losses on abandoned properties	17,394	-	(923)	-	16,471
Accumulated losses arising from differences in net realizable Value of repossessed assets	10,412	-	(522)	-	9,890
Allowance for possible losses on repossessed assets	1,968	-	(98)	-	1,870
<b>Deferred tax assets</b>	<b>3,609,290</b>	<b>4,890,056</b>	<b>(804,954)</b>	<b>(85,431)</b>	<b>7,608,961</b>
<b>Deferred tax liabilities:</b>					
Unrealised gain/(loss) from increase/(decrease) in fair value of marketable securities and government bonds - other comprehensive	(126,186)	-	-	(659,446)	(785,632)
Unrealised gains from increase/decrease in fair value of marketable securities and government bonds - fair value through profit or loss	(10,969)	-	(2,586)	-	(13,555)
Net book value of fixed assets	(121,503)	-	9,396	-	(112,107)
<b>Deferred tax assets - Bank Mandiri only</b>	<b>3,350,632</b>	<b>4,890,056</b>	<b>(798,144)</b>	<b>(744,877)</b>	<b>6,697,667</b>
Deferred tax assets - Subsidiaries	601,078	11,530	278,854	(6,358)	885,104
<b>Total consolidated deferred tax assets - net</b>	<b>3,951,710</b>	<b>4,901,586</b>	<b>(519,290)</b>	<b>(751,235)</b>	<b>7,582,771</b>

	December 31, 2019				Ending balance
	Beginning balance	Credited/ (charged) to consolidated statement of profit or loss and other comprehensive income	Charged to equity	Ending balance	
<b>Bank Mandiri</b>					
<b>Deferred tax assets:</b>					
Allowance for impairment loan losses	1,249,755	(245,096)	-	-	1,004,659
Provision for post-employment benefit expense, provision for bonuses, leave and holiday (THR) entitlements	1,409,438	(46,263)	(80,536)	-	1,282,639
Loans write-off until 2008	961,145	(139,836)	-	-	821,309
Allowance for impairment losses on financial assets other than loans	443,795	(79,306)	-	-	364,489
Estimated losses on commitments and contingencies	22,648	49,890	-	-	72,538
Allowance for estimated losses arising from legal cases	34,093	(211)	-	-	33,882
Allowance for possible losses on abandoned properties	18,089	(695)	-	-	17,394
Allowance for possible losses on repossessed assets	1,968	-	-	-	1,968
Accumulated losses arising from difference in net realisable value of repossessed assets	10,412	-	-	-	10,412
Accumulated losses arising from difference in net realisable value of abandoned properties	123	(123)	-	-	-
<b>Deferred tax assets</b>	<b>4,151,466</b>	<b>(461,640)</b>	<b>(80,536)</b>	<b>-</b>	<b>3,609,290</b>

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**33. TAXATION (continued)**

**e. Deferred tax assets - net (continued)**

	December 31, 2019			
	Beginning balance	Credited/ (charged) to consolidated statement of profit or loss and other comprehensive income	Charged to equity	Ending balance
<b>Bank Mandiri (continued)</b>				
<b>Deferred tax liabilities:</b>				
Unrealised gain/(loss) from increase/(decrease) in fair value of marketable securities and government bonds - available to sale	556,627	-	(682,813)	(126,186)
Unrealised gains from increase/decrease in fair value of marketable securities and Government Bonds - fair value through profit or loss	4,874	(15,843)	-	(10,969)
Net book value of fixed assets	(136,941)	15,438	-	(121,503)
<b>Deferred tax assets - Bank Mandiri only</b>	<b>4,576,026</b>	<b>(462,045)</b>	<b>(763,349)</b>	<b>3,350,632</b>
Deferred tax assets - Subsidiaries	421,596			601,078
<b>Total consolidated deferred tax assets - net</b>	<b>4,997,622</b>			<b>3,951,710</b>

Deferred tax assets are calculated using applicable tax rate or substantially enacted tax rate at consolidated statement of financial position dates.

Management believes that it is possible that future taxable income will be available to be utilised against the temporary difference, which results in deferred tax assets.

**f. Tax assessment letter**

**Fiscal year 2010**

According to the tax audit result by Tax Office on December 6, 2012, the Bank received Underpayment Tax Assessment Letters (SKPKB) which stated underpayment of corporate income tax related to loan written-offs and Value Added Tax (VAT) including Tax Collection Letter (STP) for fiscal year 2010 totalled to Rp1,108,071.

Management disagree with the Underpayment Tax Assessment letter result and has submitted an objection letter to Tax Office dated March 4, 2013. The Bank has paid all the underpayment tax amount and recorded it as prepaid tax.

In December 2013, the Tax Office has issued a decision letter to the Bank's objection letters on VAT and partially accepted the Bank's objection, therefore the Tax office refunded a portion of prepaid tax related to VAT. The Bank disagreed with the above decision letter and has submitted an appeal on the above decision letter to the Tax Court in March 2014.

On February 21, 2014, Tax Office has issued a decision letter to the Bank's objection letters on underpayment tax on corporate income tax and Tax Office rejected the objection. The Bank has filed an appeal against the objection decision letter to the Tax Court on May 19, 2014.

In April and May 2016, the Tax Court has uttered their decision to approve majority of the appeal submitted on the letter of objection on VAT and reject the appeal submitted for the letter of objection on income tax. The Bank disagrees with the decision and has requested for a judicial review from the Supreme Court of the Republic of Indonesia on August 15, 2016. On May 17, 2018 Supreme Court of Republic of Indonesia accepted the judicial review's request on the Tax Court's decision on the income tax.



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**33. TAXATION (continued)**

**f. Tax assessment letter (continued)**

The Tax Office has submitted an appeal to the Supreme Court on Tax Court's decision to approve majority of Bank's appeal on VAT objection result. Until the date of this consolidated financial statements, the result has not been known yet.

On November 15, 2018, Bank has submitted a letter No.KEU/1328/2018 to the Tax Office to request for compensating the tax payment of Rp1,080,790 with installment of tax payment for month March, April and May 2019. On February 8, 2019, Tax Office has approved the compensation request.

**Fiscal year 2015**

According to the tax audit result by Tax office, on November 26, 2019, Bank received Underpayment Tax Assessment Letter (SKPKB) of Corporate Income Tax for fiscal year 2015 amounted to Rp918,160 (including penalties) which accepted by Bank only amounted to Rp201,197 and recorded as current tax expense - prior year in the current year consolidated statement of profit or loss. On December 5, 2019, the Bank has paid all of the underpayment and will submit an objection letter on the SKPKB of Corporate Tax Expense amounted to Rp716,962 to the Tax Office on February 20, 2020

On November 26, 2019, Bank also obtained Underpayment Tax Assessment Letter (SKPKB) for income tax article 21, 23, and 4(2) amounted to Rp28,255 (including penalties) and value added tax (STP) amounted to Rp247,544 (including penalties) for the 2015 fiscal year. On December 5, 2019, the Bank has paid underpayment of tax article 21, 23, and 4(2) amounted to Rp28,255, and will submit an objection on the disagreed decision on SKPKB of Value Added Tax (PPN) amounted to Rp247,544 to the Tax Office on February 20, 2020

The payment for the disagreed underpayment (SKPKB) amounted to Rp964.507, where the Bank will submit an objection, are recorded as prepaid tax as of December 31, 2020 and 2019. As of the date of these consolidated financial statements, the Bank is still waiting for the results of the objection that has been submitted to the Tax Office.

**Fiscal year 2016**

Based on the result of the tax audit by the Tax Office on November 17, 2020. The Bank has received an Underpayment Tax Assessment (SKPKB) on Corporate Income tax for the 2016 fiscal year amounted to Rp1,293,817 (including fines), which was accepted by the Bank for only Rp175,592 and recorded as current tax expense - prior year in the 2020 consolidated statement of profit or loss. On November 27, 2020, Bank has paid all SKPKB Corporate Income Tax and will submit an objection letter to the SKPKB for disagreed amounted to Rp1,118,225 to the Office Taxes not later than February 16, 2021.

On November 17, 2020, Bank also received SKPKB on Income Tax Article 21 amounted to Rp31,492 and Value Added Tax (VAT) also the tax collection letter (STP) amounted to Rp128,766 (including penalties) for the 2016 fiscal year. On November 27, 2020, Bank has paid all the SKPKB, and will not submit an objection to SKPKB Article 21 amounted to Rp31,492 and SKPKB VAT amounted to Rp128,766. All underpayments are charged to the 2020 consolidated statement of income.

The total payment for SKPKB for the disagreed amounted to Rp1,118,225 where the Bank will submit an objection, and recorded as prepaid tax on December 31, 2020. As of the date of these consolidated financial statements, the Bank is still preparing objections for submission to the Tax Office.

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**34. EMPLOYEE BENEFIT LIABILITIES**

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah		
Provision for post-employment benefit (Note 52)	3,701,670	3,748,969
Provisions for bonuses, leave and holiday entitlements	3,740,288	3,837,181
<b>Total</b>	<b><u>7,441,958</u></b>	<b><u>7,586,150</u></b>

Provision for post-employment benefit such as pension fund and other long term remuneration are in accordance with the Bank and Subsidiaries' policy which are calculated using actuarial calculation.

**35. OTHER LIABILITIES**

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah		
Liability to policy holders	5,594,318	5,016,841
Payable to customers	2,111,000	948,741
Liability related to ATM and credit card transactions	1,874,276	1,397,689
Deferred income (not directly attributable)	743,213	675,251
Deferred income (directly attributable)	610,500	816,397
Guarantee deposits	586,047	715,114
Lease liabilities	515,229	-
Liabilities related to unit-link	390,148	331,941
Others	7,622,701	4,561,990
<b>Total</b>	<b><u>20,047,432</u></b>	<b><u>14,463,964</u></b>
Foreign currencies		
Customers transfer transactions	2,517,371	434,361
Deferred income (not directly attributable)	454,282	509,620
Guarantee deposits	153,105	254,227
Lease liabilities	69,120	-
Other liabilities related to UPAS transactions	-	175,153
Payable from purchase of marketable securities	-	72,145
Deferred income (directly attributable)	-	16,154
Others	2,124,009	935,636
<b>Total (Note 63B.(iv))</b>	<b><u>5,317,887</u></b>	<b><u>2,397,296</u></b>
	<b><u>25,365,319</u></b>	<b><u>16,861,260</u></b>

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**35. OTHER LIABILITIES (continued)**

Liabilities to policyholders consist of liabilities of the Subsidiaries (PT AXA Mandiri Financial Services and PT Asuransi Jiwa Inhealth Indonesia) as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Future policy benefits from non unit-link products	4,478,517	4,033,612
Estimated claim liabilities	471,862	351,775
Unearned premiums	401,348	492,884
Claim payables	242,591	138,570
<b>Total</b>	<b>5,594,318</b>	<b>5,016,841</b>

Payable to costumers mostly consist of debts arising from securities transactions of PT Mandiri Sekuritas (Subsidiary).

Liability related to ATM and credit card transactions consist of liabilities from ATM transactions within ATM *Bersama*, ATM Link and ATM Prima and liabilities to Visa and Master Card and JCB for credit card transactions.

Liabilities related to unit-link represents unit-link liabilities to third parties and liabilities to unit-link policyholders' of subsidiary (AXA Mandiri Financial Services).

Customers transfer transactions represent transfer funds in various currencies that need to be settled from or to customers accounts.

The guarantee deposit is a guarantee of cash deposited by customers from export, import transaction and issuance of bank guarantees.

Other liabilities related to UPAS transaction is a liability to the issuing bank in foreign currency in relation to UPAS receivable to importers.

Directly attributed unearned income consists of income from provisions/commissions of loans which directly attributable to unamortised loan granted.

Payable from purchase of marketable securities represent payable arising from securities's purchase transaction which have been paid on January 2, 2020 for December 31, 2019.

Non directly attributed unearned income consists of deferred fees/commissions that are not directly related to the unamortised loan granted.

The disclosure of lease liabilities as of December 31, 2020 are as follows:

<u>Underlying assets</u>	<u>Beginning balance on January 1, 2020</u>	<u>Additions of lease liabilities</u>	<u>Interest expense</u>	<u>Payments of lease liabilities</u>	<u>Balance on December 31, 2020</u>
Vehicles	360,182	183,600	26,469	(251,484)	292,298
Building - Official residence	-	13,483	177	(4,683)	8,800
Building - Office building	268,893	175,519	16,738	(161,901)	282,511
Furniture and fixture, office equipment and computer	-	1,474	31	(734)	740
<b>Total</b>	<b>629,075</b>	<b>374,076</b>	<b>43,415</b>	<b>(418,802)</b>	<b>584,349</b>

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**35. OTHER LIABILITIES (continued)**

Other liabilities related to leases by period:

	<b>December 31, 2020</b>
Short term	53,743
Long term	530,606
<b>Total</b>	<b>584,349</b>

Analysis of the maturities of other liabilities related to leases as follows:

	<b>December 31, 2020</b>
1 year	53,743
2 year	249,993
3 year	178,611
4 year	2,328
5 year	99,674
<b>Lease payment</b>	<b>584,349</b>

Others mainly consist of interoffice accounts and liabilities related to trade transactions, deposit and transaction remains to be settled in the form of transfer payment transactions of customers.

**36. FUND BORROWINGS**

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Rupiah		
Related Party		
(f) Others (Note 57)	325,181	221,436
Third parties		
(e) Repo to maturity	-	494,301
(a) Ministry of Public Work and Housing (Kemenpupera)	639,629	377,742
(f) Others	10,617,848	8,151,704
<b>Total</b>	<b>11,582,658</b>	<b>9,245,183</b>
Foreign currencies		
Related party		
(b) Direct off-shore loans (Note 57)	843,000	763,538
Third parties		
(b) Direct off-shore loans	17,051,036	18,490,850
(d) Trade financing facilities	17,676,906	14,203,829
(c) Bilateral loans	562,000	6,107,673
(e) Repo to Maturity	3,733,824	2,079,438
(f) Others	1,361,265	3,238,051
<b>Total (Note 63B.(iv))</b>	<b>41,228,031</b>	<b>44,883,379</b>
	<b>52,810,689</b>	<b>54,128,562</b>

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**36. FUND BORROWINGS (continued)**

(a) Ministry of Public Work and Housing (Kemenpupera)

This account represents Liquidity Facility of Housing Financing (*Fasilitas Likuiditas Pembiayaan Perumahan*) (FLPP) with financing sharing of 70.00% from *Kementerian Pekerjaan Umum dan Perumahan Rakyat* and 30.00% from Bank Mandiri in accordance to mutual agreement with *Kementerian Perumahan Rakyat* No. 07/SKB/M/2012 and PT Bank Mandiri (Persero) Tbk. No. DIR.MOU/003/2012 on February 15, 2012 about amendment of mutual agreement between *Kementerian Perumahan Rakyat* No. 13/SKB/DP/2011 and PT Bank Mandiri (Persero) Tbk. No. DIR.MOU/015/2011 about distribution of Liquidity Facility of Housing Financing (FLPP) for the provision of housing through Home Ownership Financing. The Mutual Agreement was followed up by Operational Mutual Agreement between *Badan Layanan Umum Pusat Pembiayaan Perumahan Kementerian Perumahan Rakyat* Republic of Indonesia year 2012, that has been renewed in 2017 with Operational Mutual Agreement No.HK.02.03-Sg.DL/67/2017 and No. DIR.PKS/119/2017 on December 21, 2017 about funding FLPP Funds for home ownership for Low-Income Communities (MBR) and there is a change in composition of the financing to become 90% funds from Kemenpupera and 10% funds from PT Bank Mandiri (Persero) Tbk.

In 2018 there was a change of funding sharing composition to become 75% from PPDPK Kemenpupera and 25% from PT Bank Mandiri (Persero) Tbk. based on Operational Mutual Agreement No. 51/PKS/Sg/2018 and DIR.PKS/45/2018 about distribution of Liquidity Facility of House Financing (FLPP) funds through home credit for Low-income Community on August 14, 2018, updated with the Operational Cooperation Agreement No. 118/PKS/Sg/2018 and No. DIR.PKS/60/2018 date December 21, 2018 concerning the Distribution of FLPP Funds for home ownership for Low-Income Communities (MBR).

In 2019 the Agreement has been renewed between PPDPK Kemenpupera and PT Bank Mandiri (Persero) Tbk through operational agreement No. 59/PKS/Sg/2019 and DIR.PKS/55/2019 about FLPP through Loan/House Financing/Sharia House Financing for Low-Income Communities dated December 19, 2019.

Outstanding balance as of December 31, 2020 and 2019 were Rp639.629 and Rp377,742, respectively. These facilities are subject to a certain rate by the Government. The period of loan and repayment schedule are maximum of 240 months (20 years). Refunds (principal and interest instalment) to Kemenpupera are carried out no later that 10<sup>th</sup> of each month.

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**36. FUND BORROWINGS (continued)**

(b) Direct off-shore loans

The details of direct off-shore loans are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Foreign currencies		
Related party:		
Bank Rakyat Indonesia, New York	843,000	763,538
Third Parties		
China Development Bank, China		
- Tranche A	6,542,549	7,754,208
- Tranche B	2,729,270	3,036,141
United Overseas Bank Limited, Singapore	2,810,000	2,776,500
MUFG Bank Ltd. Singapore	1,405,000	-
Sumitomo Mitsui Banking Corporation, Singapore	1,400,576	1,379,547
Bank of America, N.A. Hongkong Branch	1,053,750	-
DZ Bank AG, Singapore	700,112	689,781
Taipei Fubon, Singapore	350,254	-
Agence Française de Développement, France	59,525	78,173
Overseas-Chinese Banking Corporation Limited, Singapore	-	1,388,250
Wells Fargo Bank NA, Singapore	-	1.388.250
<b>Total</b>	<b><u>17,894,036</u></b>	<b><u>19,254,338</u></b>

**Bank Rakyat Indonesia, New York**

**December 31, 2020**

Type	Arranger	Maturity date	Interest rate per annum	Nominal amount	
				Foreign currency (full amount)	Rupiah equivalent
Bilateral Loan	Bank Rakyat Indonesia, New York	January 20, 2021	LIBOR (3 months) + certain margin	60,000,000	843,000
				<b><u>60,000,000</u></b>	<b><u>843,000</u></b>

**December 31, 2019**

Type	Arranger	Maturity date	Interest rate per annum	Nominal amount	
				Foreign currency (full amount)	Rupiah equivalent
Bilateral Loan	Bank Rakyat Indonesia, New York	June 29, 2020	LIBOR (3 months) + certain margin	55,000,000	763,538
				<b><u>55,000,000</u></b>	<b><u>763,538</u></b>

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**36. FUND BORROWINGS (continued)**

(b) Direct off-shore loans (continued)

**Bank Rakyat Indonesia, New York (continued)**

On October 2, 2019, and the latest on June 29, 2020 Bank Mandiri obtained loan facility without collateral from Bank Rakyat Indonesia, New York amounted to USD55,000,000 (full amount) and USD60,000,000 (full amount) with the interest rate of LIBOR 3 (three) months plus certain margin.

The loan facilities have a tenor less than 1 (one year) and will be due on June 29, 2020 and January 20, 2021. Bank Mandiri made withdrawal from these loan facilities amounted to USD55,000,000 (full amount) on the maturity date.

**China Development Bank, China**

**December 31, 2020**

Type	Arranger	Maturity date	Tenor (months)	Interest rate per annum	Nominal amount	
					Foreign currency (full amount)	Rupiah equivalent
Tranche A (USD Currency)	China Development Bank, China	September 16, 2025	120	LIBOR (6 months) + certain margin	466,666,667	6,556,667
Less:						
Unamortised issuance costs					(1,004,859)	(14,118)
					<b>465,661,808</b>	<b>6,542,549</b>
Tranche B (CNY Currency)	China Development Bank, China	September 15, 2025	120	SHIBOR (6 months) + certain margin	1,272,280,000	2,735,733
Less:						
Unamortised issuance costs					(3,005,750)	(6,463)
					<b>1,269,274,250</b>	<b>2,729,270</b>

**December 31, 2019**

Type	Arranger	Maturity date	Tenor (months)	Interest rate per annum	Nominal amount	
					Foreign currency (full amount)	Rupiah equivalent
Tranche A (USD Currency)	China Development Bank, China	September 16, 2025	120	LIBOR (6 months) + certain margin	560,000,000	7,774,200
Less:						
Unamortised issuance costs					(1,440,053)	(19,992)
					<b>558,559,947</b>	<b>7,754,208</b>
Tranche B (CNY Currency)	China Development Bank, China	September 15, 2025	120	SHIBOR (6 months) + certain margin	1,526,736,000	3,044,586
Less:						
Unamortised issuance costs					(4,235,152)	(8,445)
					<b>1,522,500,848</b>	<b>3,036,141</b>

On September 16, 2015, Bank Mandiri signed a long-term loan facility without collateral loan agreement with China Development Bank (CDB).

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**36. FUND BORROWINGS (continued)**

(b) Direct off-shore loans (continued)

**China Development Bank, China (continued)**

The loan consists of 2 (two) facilities, which Tranche A Facility is a direct loan from CDB denominated in USD with a total facility of USD700,000,000 (full amount) which will be matured in 10 (ten) years since the agreement date with an interest rate of LIBOR 6 (six) months plus a certain margin and Tranche B is a direct loans denominated in CNY with a total facility of CNY1,908,420,000 (full amount) maturing in 10 (ten) years since the agreement date with SHIBOR interest rate of 6 (six) months plus a certain margin. The loan was disbursed on November 13, 2015, December 3, 2015, December 11, 2015, December 18, 2015, December 23, 2015 and December 28, 2015.

**United Overseas Bank Limited, Singapore**

**December 31, 2020**

Type	Arranger	Maturity date	Interest rate per annum	Nominal amount	
				Foreign currency (full amount)	Rupiah equivalent
Bilateral loan	United Overseas Bank Limited, Singapore	July 2, 2021	LIBOR (3 months) + certain margin	100,000,000	1,405,000
Bilateral loan	United Overseas Bank Limited, Singapore	March 23, 2021	LIBOR (3 months) + certain margin	100,000,000	1,405,000
				<b>200,000,000</b>	<b>2,810,000</b>

Bank Mandiri obtained loan facility without collateral from United Overseas Bank Limited, Singapore amounted to USD100,000,000 (full amount), respectively, with the interest rate of LIBOR 3 (three) months plus certain margin. The loan facilities have a tenor less than 1 (one year) and will be due on March 23, 2021 and July 2, 2021.

**December 31, 2019**

Type	Arranger	Maturity date	Interest rate per annum	Nominal amount	
				Foreign currency (full amount)	Rupiah equivalent
Bilateral loan	United Overseas Bank Limited, Singapore	February 4, 2020	LIBOR (3 months) + certain margin	100,000,000	1,388,250
Bilateral loan	United Overseas Bank Limited, Singapore	April 6, 2020	LIBOR (3 months) + certain margin	100,000,000	1,388,250
				<b>200,000,000</b>	<b>2,776,500</b>

On February 14, 2019 and April 15, 2020, Bank Mandiri obtained loan facility without collateral from United Overseas Bank Limited, Singapore amounted to USD100,000,000 (full amount), respectively, with the interest rate of LIBOR 3 (three) months plus certain margin. The loan facilities have a tenor less than 1 (one year) and will be matured on February 4, 2020 and April 6, 2020.



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**36. FUND BORROWINGS (continued)**

(b) Direct off-shore loans (continued)

**MUFG Bank, LTD., Singapore**

December 31, 2020

Type	Arranger	Maturity date	Interest rate per annum	Nominal amount	
				Foreign currency (full amount)	Rupiah equivalent
Bilateral loan	MUFG Bank, LTD., Singapore	March 19, 2021	LIBOR (3 months) + certain margin	100,000,000	1,405,000

On March 27, 2020, Bank Mandiri regained an unsecured loan facility from MUFG Bank Ltd., Singapore amounting to USD100,000,000 (full amount) with a tenor of less than 1 (one) year. Bank Mandiri made a drawdown of USD100,000,000 (full amount) on March 27, 2020. This loan facility will be matured on March 19, 2021

**Sumitomo Mitsui Banking Corporation, Singapore**

December 31, 2020

Type	Arranger	Maturity date	Tenor (months)	Interest rate per annum	Nominal amount	
					Foreign currency (full amount)	Rupiah equivalent
Bilateral loan	Sumitomo Mitsui Banking Corporation, Singapore	March 11, 2022	36	LIBOR (3 months) + certain margin	100,000,000	1,405,000
Less:						
Unamortised issuance costs					(314,851)	(4,424)
					<b>99,685,149</b>	<b>1,400,576</b>

December 31, 2019

Type	Arranger	Maturity date	Tenor (months)	Interest rate per annum	Nominal amount	
					Foreign currency (full amount)	Rupiah equivalent
Bilateral loan	Sumitomo Mitsui Banking Corporation, Singapore	March 11, 2022	36	LIBOR (3 months) + certain margin	100,000,000	1,388,250
Less:						
Unamortised issuance costs					(626,888)	(8,703)
					<b>99,373,112</b>	<b>1,379,547</b>

On March 5, 2019, Bank Mandiri obtained loan facility from Sumitomo Mitsui Banking Corporation, Singapore (SMBC) amounted to USD150,000,000 (full amount) with the interest rate of LIBOR 3 (three) months plus certain margin.

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**36. FUND BORROWINGS (continued)**

(b) Direct off-shore loans (continued)

**Sumitomo Mitsui Banking Corporation, Singapore (continued)**

This loan facility have a tenor of 3 (three) years maturing on March 11, 2022. Bank Mandiri made withdrawal from these loan facilities amounted to USD150,000,000 (full amount) on March 12, 2019.

On June 10, 2019, SMBC as a facility agent have sent a form of transfer certificate which stated SMBC have transferred loan of Bank Mandiri to DZ Bank AG, Singapore branch. This transferred loan is effective per June 12, 2019.

**Bank of America, N.A, Hongkong**

December 31, 2020

Type	Arranger	Maturity date	Interest rate per annum	Nominal amount	
				Foreign currency (full amount)	Rupiah equivalent
Bilateral loan	Bank of America, Hongkong	January 20, 2021	LIBOR (3 months) + certain margin	25.000.000	351.250
Bilateral loan	Bank of America, Hongkong	March 8, 2021	LIBOR (3 months) + certain margin	50.000.000	702.500
				<b>75.000.000</b>	<b>1.053.750</b>

On January 31, 2020 and March 18, 2020, Bank Mandiri obtained unsecured loan facilities from Bank of America, Hong Kong amounting to USD25,000,000 and USD50,000,000 (full amount) with an interest rate of 3 (three) months LIBOR plus a certain margin. This loan facility has a tenor of less than 1 (one) year and will be matured on January 20, 2021 and March 8, 2021.

**DZ Bank AG, Singapore**

December 31, 2020

Type	Arranger	Maturity date	Tenor (months)	Interest rate per annum	Nominal amount	
					Foreign currency (full amount)	Rupiah equivalent
Bilateral loan	DZ Bank AG, Singapore	March 11, 2022	33	LIBOR (3 months) + certain margin	50,000,000	702,500
Less:						
Unamortised issuance costs					(169,982)	(2,388)
					<b>49,830,018</b>	<b>700,112</b>

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**36. FUND BORROWINGS (continued)**

(b) Direct off-shore loans (continued)

**DZ Bank AG, Singapore (continued)**

December 31, 2019

Type	Arranger	Maturity date	Tenor (months)	Interest rate per annum	Nominal amount	
					Foreign currency (full amount)	Rupiah equivalent
Bilateral loan	DZ Bank AG, Singapore	March 11, 2022	33	LIBOR (3 months) + certain margin	50,000,000	694,125
Less:						
Unamortised issuance costs					(312,884)	(4,344)
					<b>49,687,116</b>	<b>689,781</b>

Effective per June 12, 2019, Bank Mandiri has outstanding of loan facility from DZ Bank AG, Singapore Branch amounted to USD50,000,000 which transferred from some portion of Sumitomo Mitsui Banking Corporation, Singapore (SMBC) of its facility. This loan facility will be matured on March 11, 2022.

**Taipei Fubon, Singapore**

December 31, 2020

Type	Arranger	Maturity date	Tenor (months)	Interest rate per annum	Nominal amount	
					Foreign currency (full amount)	Rupiah equivalent
Bilateral loan	Taipei Fubon Commercial Bank Co. Ltd	July 14, 2023	36	LIBOR (3 months) + certain margin	25,000,000	351,250
Less:						
Unamortised issuance costs					(70,876)	(996)
					<b>24,929,124</b>	<b>350,254</b>

On July 14, 2020, Bank Mandiri obtained a loan facility from Taipei Funbon Commercial Bank Co. Ltd - Singapore Branch amounting to USD25,000,000 (full amount) with interest at LIBOR 3 (three) months plus a certain margin. This loan facility has a tenor of 3 (three) years and will be matured on July 14, 2023.

Bank Mandiri made a drawdown of USD25,000,000 (full amount) on July 30, 2020.

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**36. FUND BORROWINGS (continued)**

(b) Direct off-shore loans (continued)

**Agence Française de Développement, France**

December 31, 2020						
Type	Arranger	Maturity date	Tenor (months)	Interest rate per annum	Nominal amount	
					Foreign currency (full amount)	Rupiah equivalent
Bilateral loan	Agence Française de Développement, France	September 30, 2023	114	LIBOR (6 months) + certain margin	4,285,714	60,214
Less:						
Unamortised issuance costs					(49,024)	(689)
					<b>4,236,690</b>	<b>59,525</b>

December 31, 2019						
Type	Arranger	Maturity date	Tenor (months)	Interest rate per annum	Nominal amount	
					Foreign currency (full amount)	Rupiah equivalent
Bilateral loan	Agence Française de Développement, France	September 30, 2023	114	LIBOR (6 months) + certain margin	5,714,286	79,329
Less:						
Unamortised issuance costs					(83,280)	(1,156)
					<b>5,631,006</b>	<b>78,173</b>

On November 8, 2013, Bank Mandiri signed a new second loan facility agreement or second line of credit with Agence Française de Développement (AFD) amounted to USD100,000,000 (full amount) to assist the financing for projects related to climate change and energy efficiency. This long term facility has a tenor of 5 to 10 years (including grace period) with an interest rate at 6-months LIBOR plus a certain margin. As part of the loan agreement, Bank Mandiri and AFD will finance a training program aimed at building the capacity of the Bank Independent especially on the topics of climate change and energy efficiency.

On March 25, 2014, the Bank drawdown the loan amounted to USD10,000,000 (full amount), which will be matured on September 30, 2023. The drawdown of the above facilities are intended to fulfill the fund requirement to finance the environmental friendly projects in Bank Mandiri.

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**36. FUND BORROWINGS (continued)**

(b) Direct off-shore loans (continued)

**Overseas-Chinese Banking Corporation Limited, Singapore**

December 31, 2019

Type	Arranger	Maturity date	Interest rate per annum	Nominal amount	
				Foreign currency (full amount)	Rupiah equivalent
Bilateral loan	Overseas-Chinese Banking Corporation Limited, Singapore	November 6, 2020	LIBOR (3 months) + certain margin	100,000,000	1,388,250

On November 13, 2019 Bank Mandiri obtained a loan facility without collateral from overseas-Chinese Banking Corporation Limited, Singapore amounted USD100,000,000 (full amount) with tenor less than 1 (one) year. Bank Mandiri made withdrawal from this loan facility amounted to USD100,000,000 on November 13, 2019. These loan facility will be matured on November 6, 2020.

**Wells Fargo Bank, Singapore**

December 31, 2019

Type	Arranger	Maturity date	Interest rate per annum	Nominal amount	
				Foreign currency (full amount)	Rupiah equivalent
Bilateral loan	Wells Fargo Bank, Singapore	August 27, 2020	LIBOR (3 months) + certain margin	100,000,000	1,388,250

On September 19, 2019, Bank Mandiri obtained an unsecured loan facility from Wells Fargo Bank, Singapore amounting to USD100,000,000 (full amount) with a tenor of less than 1 (one) year. This loan facility will be matured on August 27, 2020.

(c) Bilateral loans

The details of bilateral loans are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Foreign currencies		
JP Morgan Chase Bank, N.A. - Jakarta Branch	-	5,552,373
Citibank, N.A. - Indonesia Branch	562,000	555,300
	<u><b>562,000</b></u>	<u><b>6,107,673</b></u>

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**36. FUND BORROWINGS (continued)**

(c) Bilateral loans (continued)

**JP Morgan Chase Bank, N.A. - Jakarta Branch**

December 31, 2019

Type	Arranger	Maturity date	Tenor (months)	Interest rate per annum	Nominal amount	
					USD (full amount)	Rupiah equivalent
Bilateral loan	JP Morgan Chase Bank, N.A. - Jakarta Branch	November 21, 2020	84	LIBOR (3 months) + certain margin	150,000,000	2,082,375
Less:						
Unamortised issuance costs					(19,387)	(269)
					149,980,613	2,082,106
Bilateral loan	JP Morgan Chase Bank, N.A. - Jakarta Branch	September 5, 2020	72	LIBOR (3 months) + certain margin	250,000,000	3,470,625
Less:						
Unamortised issuance costs					(25,760)	(358)
					249,974,240	3,470,267
					<b>399,954,853</b>	<b>5,552,373</b>

On November 15, 2013, the Bank obtained a loan facility from JP Morgan Chase Bank, N.A. - Jakarta Branch amounted to USD150,000,000 (full amount) with an interest rate at 3 (three) months LIBOR plus a certain margin.

This loan facility has a tenor of 3 (three) years and matured on November 21, 2016. Bank Mandiri has drawdown this credit facility amounted to USD150,000,000 (full amount) on November 21, 2013. This loan facility has been extended on October 5, 2016 and will be matured on November 21, 2020.

This loan was secured by (Note 8c):

	Nominal amount
	December 31, 2019
FR0053 <sup>*)</sup>	284,375
INDOIS 22 <sup>**)</sup>	60,000,000
ROI 21 <sup>**)</sup>	36,500,000
ROI 24 <sup>**)</sup>	30,000,000
ROI 22 <sup>**)</sup>	18,000,000
ROI 23 <sup>**)</sup>	17,500,000

<sup>\*)</sup> In million rupiah

<sup>\*\*)</sup> In USD (full amount)

On November 21, 2020, the loan facility has been matured and the repayment transaction of the loan is in accordance with the applicable regulations. Payment of the settlement is made in full on the due date.

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**36. FUND BORROWINGS (continued)**

(c) Bilateral loans (continued)

**JP Morgan Chase Bank, N.A. - Jakarta Branch (continued)**

On August 20, 2014, Bank Mandiri obtained a loan facility from JP Morgan Chase Bank, N.A. - Jakarta Branch amounted to USD250,000,000 (full amount) with interest rate at LIBOR 3 (three) months plus a certain margin.

The loan facility has a tenor of 3 (three) years and has been matured on September 5, 2017. Bank Mandiri has drawdown on the loan facility amounted to USD250,000,000 (full amount) on September 2, 2014. This loan facility has been extended on October 5, 2016 and will be matured on September 5, 2020.

On September 5, 2020, the loan facility has been matured and the repayment transaction of the loan is in accordance with the applicable regulations. Payment of the settlement is made in full on the due date.

This loan was secured by (Notes 7k and 8c):

	<b>Nominal amount</b>
	<b>December 31, 2019</b>
FR0053 <sup>)</sup>	659,947
INDOIS 22 <sup>**)</sup>	98,500,000
PERTAMINA 23 <sup>**)</sup>	65,000,000
ROI 23 <sup>**)</sup>	37,000,000
ROI 21 <sup>**)</sup>	32,000,000
INDOIS 25 <sup>**)</sup>	28,410,000

<sup>)</sup> In million rupiah  
<sup>\*\*)</sup> In USD (full amount)

**Citibank N.A. Indonesia Branch**

**December 31, 2020**

Type	Arranger	Maturity date	Tenor (months)	Interest rate per annum	Nominal amount	
					USD (full amount)	Rupiah equivalent
Bilateral loan	Citibank, N.A. Indonesia Branch	January 3, 2022	36	LIBOR (3 months) + certain margin	40,000,000	562,000

**December 31, 2019**

Type	Arranger	Maturity date	Tenor (months)	Interest rate per annum	Nominal amount	
					USD (full amount)	Rupiah equivalent
Bilateral loan	Citibank, N.A. Indonesia Branch	January 3, 2022	36	LIBOR (3 months) + certain margin	40,000,000	555,300

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**36. FUND BORROWINGS (continued)**

(c) Bilateral loans (continued)

**Citibank N.A. Indonesia Branch (continued)**

On January 2, 2019, Bank Mandiri obtained loan facility from Citibank, N.A. Indonesia Branch amounted to USD40,000,000 (full amount) with interest rate of LIBOR 3 (three) months plus a certain margin.

This loan facility has a tenor of 3 (three) years and will be matured on January 3, 2022. Bank Mandiri had withdrawn on the loan facility amounted to USD40,000,000 (full amount) on January 3, 2019.

This loan was secured by (Note 8c):

	<b>Nominal amount</b>	
	<b>December 31, 2020</b>	<b>December 31, 2019</b>
ROI 28 <sup>)</sup>	28,000,000	28,000,000
ROI 27 <sup>)</sup>	25,000,000	25,000,000

<sup>)</sup> In USD (full amount)

(d) Trade financing facilities (bankers' acceptance)

Trade financing facilities represent short-term borrowings with tenors ranging between 30 days to 365 days and bears interest at LIBOR or SIBOR plus a certain margin. The balance as of December 31, 2020 and 2019 are as follows:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
United Overseas Bank Limited, Singapore	5,008,539	873,695
DBS Bank, Singapore	1,768,895	2,330,594
CO Bank US, Amerika Serikat	2,529,000	2,637,675
Sumitomo Mitsui Banking Corporation, Singapore	2,455,519	1,634,932
Citibank NA, Hong Kong	1,098,710	1,335,497
Wells Fargo Bank, Singapore	2,401,707	1,110,600
Bank of Montreal	1,039,054	-
CTBC Bank Co. Ltd	120,830	-
Bank Permata	-	694,125
Bank of America, N.A, Singapore	627,178	-
The Bank of New York Mellon, Singapore	375,978	944,010
Bank of America, N.A, Hongkong	251,496	1,388,250
Landesbank Baden-Wuerttemberg, Singapore	-	416,475
Standard Chartered Bank, Hong Kong	-	497,855
The Korea Development Bank, Singapore	-	340,121
<b>Total</b>	<b>17,676,906</b>	<b>14,203,829</b>

(e) Repo to Maturity

**Rupiah**

On October 31, 2014, Bank Mandiri signed a loan agreement amounted to Rp600,000 with the scheme of repo to maturity with Bank of America, Singapore Limited (BOA). In this repo to maturity transaction, Bank Mandiri transferred Government Bonds VR0031 to BOA. The amount received by Bank Mandiri related to the repo transaction represents the present value of the loan after taking into account the interest expense of the loan and interest income of the VR0031 during repo period, which amounted to Rp494,301. For the transfer of Government Bonds VR0031, Bank Mandiri recognised receivables amounted to cash value of VR0031 to BOA. The loan facility has a tenor of 6 (six) years and will be matured on July 25, 2020, which match with the maturity date of VR0031. On the maturity date, the settlement will be made at net of loan and receivable between Bank Mandiri and BOA.



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**36. FUND BORROWINGS (continued)**

(e) Repo to Maturity (continued)

**Rupiah (continued)**

On November 19, 2014, BOA sent transfer notice which stated that BOA had transferred all its rights and obligations related to loan facility under the scheme of repo to maturity to PT Asuransi Jiwa Adisarana Wanaartha.

**Foreign Currency**

On April 9, 2020, Bank Mandiri entered into borrowing transaction of USD74,999,965 (full amount) through the cross currency repo to maturity scheme with JP Morgan Chase Bank N.A. - Jakarta Branch (JPM). In this repo to maturity transactions, Bank Mandiri transferred government bonds FR061 to JPM. Upon the transfer of government bonds FR061, Bank Mandiri recognised receivables at the amount of cash value of FR061 to JPM. This loan facility has a tenor of 2 (two) years which will be matured at the same date of to maturity of FR061 at May 15, 2022. On the maturity date, JPM submit cash value (IDR) to Bank Mandiri at the amount of underlying face value plus the last underlying coupon, and Bank Mandiri will send the cash value (USD) to JPM at the borrowing amount plus the last borrowing interest payment.

On May 6, 2020, Bank Mandiri entered into borrowing transaction of USD99,774,646 through the cross currency repo to maturity scheme with Standard Chartered Bank - Jakarta Branch (SCB). In this repo to maturity transactions, Bank Mandiri transferred government bonds FR063 to SCB. Upon the transfer of government bonds FR063, Bank Mandiri recognised receivables at the amount of cash value of FR063 to SCB. This loan facility has a tenor of 3 (three) years which will be matured at the same date of to maturity of FR063 at May 15, 2023. On the maturity date, SCB submit cash value (IDR) to Bank Mandiri at the amount of underlying face value plus the last underlying coupon, and Bank Mandiri will send the cash value (USD) to SCB at the borrowing amount plus the last borrowing interest payment.

On May 25, 2018, Bank Mandiri entered into borrowing transaction amounted to USD24,926,000, USD31,270,000 and USD34,782,000 through repo to maturity scheme with Nomura Singapore Limited (NSL). In this repo to maturity transactions, Bank Mandiri transferred government bonds ROI 23NN, ROI 24 and ROI 25 to NSL. Upon the transfer of government bonds ROI 23NN, ROI 24 and ROI 25, Bank Mandiri recognised receivables at the amount of cash value of ROI 23NN, ROI 24, and ROI 25 to NSL. This loan facilities have 5 (five), 6 (six) and 7 (seven) years tenor and will be due in at the same date of the maturity date of ROI23 NN, ROI 24 and ROI 25 on January 11, 2023, January 15, 2024 and January 15, 2025. On the maturity date, the settlement of the transaction will be at net basis between borrowing and receivables of Bank Mandiri and NSL.

On November 15, 2018, Bank Mandiri entered into borrowing transaction of USD58,810,427.91 (full amount) through the cross currency repo to maturity scheme with JP Morgan Chase Bank N.A. - Jakarta Branch. Bank Mandiri transferred FR0031 government bonds to JPM. For the transfer of Rupiah denominated FR0031 government bonds, Bank Mandiri recognised receivables at cash value of FR0031 to JPM. This loan facility has a tenor of 2 (two) years which will be matured at the same date of to maturity of FR0031 at November 15, 2020. On the maturity date, JPM submit cash value (IDR) to Bank Mandiri at the amount of underlying face value plus the last underlying coupon, and Bank Mandiri will send the cash value (USD) to JPM at the borrowing amount plus the last borrowing interest payment.

This loan facilities from NSL and JPM have guaranteed by placement amounted to USD70,000, respectively (full amount) (December 31, 2019: USD70,000 (full amount)) (Notes 6h).

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**36. FUND BORROWINGS (continued)**

(f) Others

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah		
Related parties		
PT Bank Negara Indonesia (Persero) Tbk.	225,181	172,236
PT Bank Rakyat Indonesia (Persero) Tbk.	100,000	49,200
	<u>325,181</u>	<u>221,436</u>
Third parties		
PT Bank Pan Indonesia Tbk.	2,174,043	3,019,902
PT Bank Central Asia Tbk.	1,136,683	1,393,740
PT Bank DKI	280,387	577,364
PT Bank Maybank Indonesia Tbk.	430,926	556,627
PT Bank KEB Hana Indonesia	263,415	492,757
PT Bank OCBC NISP Tbk	271,397	462,824
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk.	166,486	406,546
PT Bank Permata Tbk.	470,035	343,332
MUFG Bank Ltd., Jakarta Branch	-	300,000
PT Bank UOB Indonesia	307,593	124,863
PT Bank HSBC Indonesia	100,000	100,000
PT Bank Resona Perdania	59,628	92,837
PT Bank BPD DIY	44,325	87,311
PT Bank CIMB Niaga Tbk.	229,566	79,659
PT Bank BCA Syariah	98,056	48,704
PT Bank Ina Perdana Tbk.	-	46,604
PT Bank Danamon Indonesia Tbk.	1,684,383	18,634
PT Bank QNB Indonesia	374,309	-
PT Bank Central Asia Tbk. - Sindikasi Onshore Bank Chinatrus	2,277,778	-
PT Bank Danamon Syariah	200,000	-
	48,838	-
	<u>10,617,848</u>	<u>8,151,704</u>
Total	<u>10,943,029</u>	<u>8,373,140</u>
Foreign currencies		
Third parties		
MUFG Bank Ltd., Jakarta Branch	680,722	2,273,159
PT Bank Mizuho Indonesia	292,668	518,407
Bank of China Limited, Jakarta Branch	187,875	370,013
DBS Bank Ltd.	-	69,521
PT Bank UOB Indonesia	-	6,951
PT Bank ANZ Indonesia	200,000	-
Total	<u>1,361,265</u>	<u>3,238,051</u>
	<u><b>12,304,294</b></u>	<u><b>11,611,191</b></u>

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**36. FUND BORROWINGS (continued)**

(f) Others (continued)

Rupiah

**PT Bank Negara Indonesia (Persero) Tbk.**

On October 9, 2018, the Subsidiary (PT Mandiri Utama Finance) obtained a working capital loan facility from PT Bank Negara Indonesia (Persero) Tbk ("BNI") with a maximum loan limit of Rp250,000, which bears interest rate of 8.75% - 9.50%. The facility is a revolving working capital loan. The period of withdrawal of loan facilities is up to October 9, 2019 and has been extended in October 4, 2019, therefore the maturity date will be October 8, 2021.

As of December 31, 2020 and 2019, outstanding borrowings from BNI amounted to Rp225,181 and Rp172,236, respectively.

In the loan agreement, the Company is obliged to meet financial requirements such as:

- a) Minimum current ratio is 1x.
- b) Maximum Debt to Equity Ratio is 9x.
- c) Maximum 5% NPL 90 up Gross.

**PT Bank Rakyat Indonesia (Persero) Tbk.**

On November 9, 2018, the Subsidiary (PT Mandiri Utama Finance) obtained a working capital loan facility from PT Bank Rakyat Indonesia (Persero) Tbk ("BRI") with a maximum loan limit of Rp300,000. The facility is a revolving working capital loan, and mature in 12 months after the contract is signed and have extended up to November 9, 2020 with interest rates according to the bank's treasury recommendation and ranging between 7.75% - 9.50%. This facility which has matured, has been extended until November 9, 2021.

As of December 31, 2020 and 2019, outstanding borrowings from Bank BRI amounted to Rp100,000 and Rp49,200, respectively.

Under the loan agreement, the Subsidiary (PT Mandiri Utama Finance) is required to meet financial requirements if it distributes dividends such as:

- a) Maximum gearing ratio 9x.
- b) Maximum 5% of Non-Performing Financing (gross)

**PT Bank Pan Indonesia Tbk.**

On November 12, 2012 and the latest amendment on July 10, 2019, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank Pan Indonesia Tbk. (Panin) signed a loan agreement which Panin provide several non revolving term loan facilities with a total limit of Rp4,200,000 and bears a fixed interest rate. These facilities have various maturity dates ranging from January 2020 until September 2022.

On May 26, 2017, the Subsidiary (PT Mandiri Utama Finance) and PT Bank Pan Indonesia Tbk. (Panin) signed a loan agreement which Panin provides non revolving working capital facilities with total limit of Rp400,000 and non revolving money market line facility with a limit of Rp100,000. These facilities bears an 9.00% - 9.75% of interest rate of the drawdown for the working capital facility and market interest rates of the drawdown for the money market line facility. The working capital facility mature on December 31, 2021 and money market line facility was matured on May 26, 2018. The money market line facility was matured on May 26, 2018 was extended up to June 25, 2018, therefore this facility was matured on May 26, 2019. This facilities was already fully paid on the maturity date.

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**36. FUND BORROWINGS (continued)**

(f) Others (continued)

Rupiah (continued)

**PT Bank Pan Indonesia Tbk. (continued)**

On March 21, 2018, the Subsidiary (PT Mandiri Utama Finance) obtained an extra non revolving working capital loan facility amounted to Rp1,000,000, this facility is subject to interest rate of 8.5% - 9% at the time of withdrawal, the facility is due on August 21, 2022.

On April 15, 2019, the Subsidiary (PT Mandiri Utama Finance) obtained additional of non revolving working capital loan facility amounted to Rp500,000 and bears at 9.00% - 9.75% interest rate at drawdown, additional of money market line facility amounted to Rp200,000 and revolving current account facility amounted to Rp50,000. Money market line facility and current account facility bear interest rate ranging of 9%-10%. This facility will be matured on April 15, 2020. and has been temporarily extended, so that the two facilities will be matured on August 26, 2020. Facility that matured on August 26, 2020, has been extended until May 26, 2021.

On December 4, 2020, the subsidiary (PT Mandiri Utama Finance) obtained an extra non revolving working capital loan facility amounted to Rp500.000, this facility is subject to interest rate of 8.25% at the time withdrawal, the facility is due on December 2024.

As of December 31, 2020 and 2019, outstanding borrowings from Panin was amounted to Rp2,174,043 and Rp3,019,902, respectively.

**PT Bank Central Asia Tbk.**

On March 7, 2001, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank Central Asia Tbk. (BCA) signed a loan agreement which BCA provides a revolving overdraft facility and bears a floating interest rate. This agreement had been amended based on latest agreement signed on March 24, 2011 with additional facility up to Rp55,000 and latest amendment of this facility was on March 8, 2016. This facility will be matured on March 12, 2020.

On March 8, 2016 and the latest on February 26, 2019, the Subsidiary (PT Mandiri Tunas Finance) and BCA signed loan agreement that BCA provides several non revolving term loan facilities with total limit up to Rp2,500,000 and bears at 8.75% - 10.25% of various fixed interest rate. This facility will be matured ranging from February 2020 to May 2022.

On June 11, 2013 and the latest on March 30, 2015, the Subsidiary (PT Mandiri Tunas Finance) and BCA signed a loan agreement which BCA provides revolving money market facility with a limit of Rp300,000 and bears a floating interest rate. This agreement has been amended by signing the agreement on March 24, 2017 which the money market facility has been switched to non revolving term loan facilities and bears a 9.50% of fixed interest rate. The facility has various maturity dates which ranging between July 2020 until August 2020.

On December 18, 2019, the Subsidiary (PT Mandiri Tunas Finance) and BCA signed a syndicated loan agreement with a limit of Rp1,000,000 and Rp1,500,000 as a non revolving facilities and bear 7.16% and 6.90% of interest rate, respectively. First and second drawdown made on July 21, 2020 and October 14, 2020. This facility will be matured on July 21, 2023 and October 14, 2023.

As of December 31, 2020 and 2019, outstanding borrowings from BCA amounted to Rp1,136,683 and Rp1,393,740, respectively.

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**36. FUND BORROWINGS (continued)**

(f) Others (continued)

Rupiah (continued)

**PT Bank DKI**

On September 17, 2013 and the latest updated on May 3, 2019, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank DKI (Bank DKI) signed a loan agreement and Bank DKI provides several non revolving term loan with total facility amounted to Rp700,000 and subject to a various fixed rate of interest and ranging between 8.50% - 9.15%. These facilities have various maturity dates which ranging between January 2020 until August 2022.

On June 8, 2018, the Subsidiary (PT Mandiri Utama Finance) and Bank DKI signed a revolving loan agreement of money market line amounted to of Rp100,000 which bears to market interest rate at the time of withdrawal, and non revolving executing working capital amounted to Rp300,000 and bears interest rate of 8.75%. The money market line facility has been matured on June 8, 2019 and paid on maturity, while executing working capital loan will be matured on December 8, 2021.

As of December 31, 2020 and 2019, outstanding borrowings from Bank DKI was amounted to Rp280,387 and Rp577,364, respectively.

**PT Bank Maybank Indonesia Tbk.**

On December 21, 2017, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank Maybank Indonesia Tbk. (Maybank) signed a non revolving loan agreement with total term loan facility up to Rp500,000 and bears 8.50% of fixed interest rate. This facility will be matured on March 12, 2021.

On May 10, 2019, the Subsidiary (PT Mandiri Utama Finance) obtained money market line loan facility and term loan facility from PT Bank Maybank Indonesia Tbk (Maybank) with total maximum limit up to Rp100,000 and bears interest rate on withdrawal date, and money market line facility amounted to Rp600,000 and bears 9.50% of fixed interest rate. This is a revolving loan facility and will be matured on May 10, 2020 and 54 months after signing the credit for the Term Loan Facility.

The money market line facility, which matured on May 10, 2020, has been extended again until May 10, 2021.

As of December 31, 2020 and 2019, outstanding borrowings from Maybank was amounted to Rp430,926 and Rp556,627, respectively.

**PT Bank KEB Hana Indonesia**

On March 19, 2015 and the latest updated on September 3, 2018, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank KEB Indonesia Hana (KEB Hana) signed a loan agreement where KEB Hana provides several non revolving term loan facilities with a total facility up to Rp400,000 and bears 9.50% of fixed interest rate. These facilities have maturity dated on February 19, 2022.

On July 13, 2017 the Subsidiary (PT Mandiri Utama Finance) and PT Bank KEB Hana Indonesia (Bank Hana) signed a loan agreement where Bank Hana provides non revolving working capital facility with a total limit of Rp200,000 and bears 9.00% of fixed interest rate. The facility will be matured on September 7, 2020.

On February 8, 2018, the Subsidiary (PT Mandiri Utama Finance) and Bank Hana signed a loan agreement that Bank Hana provides additional non revolving working capital loan facility up to Rp200,000 with 9.00% of interest rate. This facility will be matured on July 8, 2021.

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**36. FUND BORROWINGS (continued)**

(f) Others (continued)

Rupiah (continued)

**PT Bank KEB Hana Indonesia (continued)**

On August 21, 2019, the Subsidiary (PT Mandiri Utama Finance) and Bank Hana signed a loan agreement that Bank Hana provides additional of non revolving working capital facility with maximum limit up to Rp100,000 and bears 9.50% of interest rate. This facility will be matured on January 2023.

As of December 31, 2020 and 2019, outstanding borrowings from Bank Hana amounted to Rp263,415 and Rp492,757, respectively.

**PT Bank OCBC NISP Tbk**

On March 29, 2018, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank OCBC NISP (OCBC) signed a loan agreement that OCBC provides revolving demand loan/market money line with total limit up to Rp200,000 and bears floating interest rate and non revolving term loan with total limit up to Rp575,000 and bears 9.75% of fixed interest rate. This facility have a various maturity and ranging from November 2020 to May 2022.

On December 31, 2020 and 2019, outstanding borrowings from PT Bank OCBC NISP amounted to Rp271,397 and Rp462,824, respectively.

**PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk.**

On April 22, 2014 and the latest updated on February 14, 2019, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk. (BJB) signed a loan agreement which BJB provides several non revolving term loan facilities with total limit amounted to Rp1,000,000 and subject to a various fixed rate of interest and ranging between 8.75% - 9.50%. This facility has a various maturity on March 2022.

As of December 31, 2020 and 2019, outstanding borrowings from BJB amounted to Rp166,486 and Rp406,546, respectively.

**PT Bank Permata Tbk.**

On November 15, 2017, the Subsidiary (PT Mandiri Utama Finance) and PT Bank Permata Tbk. (Bank Permata) signed a loan agreement where Bank Permata provides a non revolving working capital facility with total limit amounted to Rp200,000 bears 9.00% of interest rate at drawdown, and revolving money market line facility with total limit Rp100,000 which bears an interest rate ranging between 7.00% - 7.25%. These facilities matured on November 14, 2018.

On December 13, 2018, the Subsidiary (PT Mandiri Utama Finance) and Bank Permata signed a loan agreement that Bank Permata provides non revolving working capital facility with maximum limit up to Rp300,000 and bears 9.00% of interest rate and extend money market line loan facility. Those facility matured on November 15, 2019.

The money market line credit facility that matures on November 15, 2019 has been extended so that the maturity date of the facility becomes November 15, 2020 and has been extended again until November 15, 2021.

As of December 31, 2020 and 2019, outstanding borrowings from Bank Permata amounted to Rp470,035 and Rp343,332, respectively.

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**36. FUND BORROWINGS (continued)**

(f) Others (continued)

Rupiah (continued)

**MUFG Ltd., Jakarta Branch**

On February 11, 2016, the Subsidiary (PT Mandiri Tunas Finance) and Bank of Tokyo Mitsubishi UFJ (BTMU) signed a loan agreement that BTMU provides revolving uncommitted short-term loan/money market line facility with total limit up to Rp695,050 and bears 6.21% of floating interest rate at drawdown. This facility have will be matured on February 11, 2020. This facility has been paid on maturity.

As of December 31, 2020 and 2019, outstanding borrowings from Bank of Tokyo Mitsubishi UFJ amounted to RpNil and Rp300,000, respectively.

**PT Bank UOB Indonesia**

On November 21, 2017, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank UOB Indonesia (Bank UOB) signed a loan agreement which Bank UOB provides non revolving term loan facility with total facility up to Rp300,000 and bears 8.40% of fixed interest fixed rate and revolving loan facility with total facility up to Rp300,000 and bears 6.40% of floating interest rate at drawdown. These facilities have various maturity date a ranging from November 2020 to March 2021.

As of December 31, 2020 and 2019, outstanding borrowings from Bank UOB amounted to Rp307,593 and Rp124,863, respectively.

**PT Bank HSBC Indonesia**

On October 23, 2000 and the latest updated on July 31, 2019, The Subsidiary (PT Mandiri Tunas Finance) and PT Bank HSBC Indonesia (Bank HSBC) signed a loan agreement that Bank HSBC provides revolving working capital loan facility with total facility up to Rp150,000 and bears 6.25% of floating interest rate at drawdown and a revolving money market line facility of Rp100,000 and bears 4.75% floating interest rate at drawdown. These facilities will be matured on July 10, 2020.

The money market line facility which matured on July 10, 2020, has been extended again until January 15, 2021.

As of December 31, 2020 and 2019, outstanding borrowings from Bank HSBC Indonesia amounted to Rp100,000 and Rp100,000, respectively.

**PT Bank Resona Perdania**

On September 3, 2019, the Subsidiary (PT Mandiri Utama Finance) and PT Bank Resona Perdania (Bank Resona) signed a loan agreement that Bank Resona provides working capital facility amounted to Rp100,000 and bears 8.83% of interest rate. These facility will be matured on August 26, 2023.

As of December 31, 2020 and 2019, outstanding borrowings from PT Bank Resona amounted to Rp59,628 and Rp92,837, respectively.

**PT Bank BPD DIY**

On May 18, 2017, the Subsidiary (PT Mandiri Utama Finance) and PT Bank BPD DIY (BPD DIY) signed a loan agreement where BPD DIY provides non revolving working capital loan facility with maximum limit up to Rp50,000 and bears 9.00% of interest rate at drawdown. This loan facility will be matured on November, 2020.

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**36. FUND BORROWINGS (continued)**

(f) Others (continued)

Rupiah (continued)

**PT Bank BPD DIY (continued)**

On April 30, 2019, the Subsidiary (PT Mandiri Utama Finance) and BPD DIY signed a loan agreement that Bank BPD DIY provides additional non revolving working capital loan facility with maximum limit up to Rp100,000 and bears 9.50% of interest rate at drawdown. This loan facility will be matured on October 2022.

As of December 31, 2020 and 2019, outstanding borrowings from BPD DIY amounted to Rp44,325 and Rp87,311, respectively.

**PT Bank CIMB Niaga Tbk.**

On November 21, 2017, the Subsidiary (PT Mandiri Utama Finance) and PT Bank CIMB Niaga Tbk. (Bank CIMB Niaga) signed a loan agreement that Bank CIMB Niaga provides non revolving working capital loan facility with total limit up to Rp200,000 with 9% of interest rate at drawdown. This facility will be matured on March 2021.

On February 19, 2020, the Subsidiary (PT Mandiri Utama Finance) and PT Bank CIMB Niaga Tbk. (Bank CIMB Niaga) signed a loan agreement that Bank CIMB Niaga provides non revolving term loan facility with total limit up to Rp300,000 with 8.25% of interest rate at drawdown. This facility will be matured on February 2023.

As of December 31, 2020 and 2019, loans from Bank CIMB Niaga amounted to Rp229,566 and Rp79,659, respectively.

**PT Bank BCA Syariah**

On May 20, 2019, the Subsidiary (PT Mandiri Utama Finance) obtained non revolving Working Capital Loan facility to Syariah financing from PT Bank BCA Syariah (BCAS) with total limit up to Rp100,000 and bears 9.50% of interest rate. This facility will be matured on May 2020.

On November 18, 2020, the Subsidiary (PT Mandiri Utama Finance) obtained an additional working capital credit loan facility with total amount Rp200,000 with an interest rate of 9.00% that received from PT Bank BCA Syariah. The facility will be matured in November 2021.

As of December 31, 2020 and 2019, outstanding borrowings from PT Bank BCA Syariah amounted to Rp98,056 and Rp48,704, respectively.

**PT Bank Ina Perdana Tbk.**

On December 28, 2016, the Subsidiary (PT Mandiri Utama Finance) and PT Bank Ina Perdana Tbk. (Bank Ina) signed a loan agreement that Bank Ina provides non revolving working capital loan facility amounted to Rp85,000 and bears 9.00% of interest rate. This facility will be matured on December 29, 2020 and has been paid on maturity date.

On December 19, 2017, the Subsidiary (PT Mandiri Utama Finance) and Bank Ina Perdana signed an agreement of additional of non revolving working capital facility amounted to Rp85,000 and bears at 8.50% of interest rate. These facility will be matured on December 20, 2020, and has been paid on maturity date.

As of December 31, 2020 and 2019, outstanding borrowings from Bank Ina amounted to RpNil and Rp46,604, respectively.



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**36. FUND BORROWINGS (continued)**

(f) Others (continued)

Rupiah (continued)

**PT Bank Danamon Indonesia Tbk.**

On May 20, 2010, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank Danamon Indonesia Tbk. (Danamon) signed a loan agreement which Danamon provides revolving term loan facility up to Rp852,000 which bears 8.75% - 9.00% of fixed interest rate and working capital loan facility up to Rp150,000 bears and bears 6.70% of floating interest rate at drawdown. These facilities have various maturity dates which are ranging from June 2020 to September 2020.

On September 26, 2019, the Subsidiary (PT Mandiri Tunas Finance) received an additional revolving working capital loan facility from PT Bank Danamon Indonesia Tbk. (Danamon) so that the total working capital loan facility is Rp150,000 with an interest rate of 4.85% at the time of drawdown and matures on January 22, 2021, additional non-revolving term loan facilities of Rp500,000 and Rp300,000 with an interest rate of 7.60% on drawdown and will be matured on April 2, 2023 and June 23, 2023.

On November 20, 2020, the Subsidiary (PT Mandiri Tunas Finance) received an additional non-revolving term loan facility from PT Bank Danamon Indonesia Tbk. (Danamon) amounting to Rp500,000 with an interest rate of 6.80% on withdrawal and will be matured on December 11, 2023.

On October 22, 2018, the Subsidiary (PT Mandiri Sekuritas) signed a loan agreement that Danamon provides loan facility amounted to Rp200,000. Based on the agreement, the interest rate of this facility will be adjusted a 7.90% of interest rate at withdrawal on July 2019, and has been extended until October 22, 2020. Based on the agreement, the interest rate on the applicable facility is adjusted to the interest rate at the time the credit facility drawdown is made. On October 22, 2020 this loan is due and the repayment transaction of this loan is in accordance with the applicable regulations.

On December 30, 2019, the Subsidiary (PT Mandiri Utama Finance) and Bank Danamon signed a loan agreement that Danamon provides non revolving term loan facility and revolving working capital facility with each maximum limit up to Rp350,000 and Rp100,000 and bear 9% of interest rate of term loan facility and 8% of interest rate of working capital facility. The term of withdrawal of Term Loan facility and working capital are 12 months since the facility have been signed. The term loan facility has been extended until August 31, 2021.

As of December 31, 2020 and 2019, outstanding borrowings from Danamon Indonesia amounted to Rp1,684,383 and Rp18,634, respectively.

**PT Bank QNB Indonesia**

On July 4, 2019, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank QNB Indonesia (QNB) signed a loan agreement which Bank QNB provides fixed loan facility amounted to Rp500,000 is non revolving and bears a fixed market interest rate bears 7.8% at the withdrawal date. This facility was matured on March 12, 2023.

As of December 31, 2020 and 2019, outstanding borrowings from Mizuho amounted to equivalent Rp374,309 and RpNil respectively.

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**36. FUND BORROWINGS (continued)**

(f) Others (continued)

Rupiah (continued)

**PT Bank Danamon Indonesia Tbk - Unit Usaha Syariah**

On November 5, 2020, the Subsidiary (PT Mandiri Utama Finance) obtained a Sharia term loan facility from PT Bank Danamon Indonesia Tbk - Sharia Business Unit with a maximum credit limit of Rp50,000 each with an interest rate of 8.75%. The facility will be matured in October 2024.

As of December 31, 2020 and 2019, the loans from Danamon Syariah amounted to Rp48,838 and RpNil, respectively.

**PT Bank Chinatrust Indonesia**

On December 7, 2020, the Subsidiary (PT Mandiri Utama Finance) obtained a revolving money market line loan facility from PT Bank Chinatrust Indonesia (Chinatrust) amounting to Rp200,000 with an interest rate of 4.75% upon withdrawal. The facility will be matured on January 15, 2021.

As of December 31, 2020 and 2019, the loans from Chinatrust amounted to Rp200,000 and RpNil, respectively.

Foreign currencies

**MUFG Bank Ltd., Jakarta Branch**

On July 19, 2017 and the latest updated on April 26, 2018, the Subsidiary (PT Mandiri Tunas Finance) and MUFG Bank Ltd (MUFG) signed a loan agreement which MUFG provides several non revolving syndication loan facilities in USD and JPY with total limit of Rp5,122,908 and bears fixed interest rate ranging 7.23% - 9.85%. These facilities have various maturity date from September 2020 to October 2021.

As of December 31, 2020 and 2019, outstanding borrowings from MUFG amounted to equivalent Rp680,722 and Rp2,273,159, respectively.

The syndicated agreement requires certain financial conditions:

- a. The Subsidiary will ensure that the total gross money does not exceed 10 times (or if it is less than the level determined by the Indonesian Financial Services Authority) on the Net Value of tangible goods for each financial year and semester of the financial year.
- b. The Subsidiary will ensure that the total gross debt does not exceed 90 percent of net receivables for each financial year and semester of the financial year.
- c. The Subsidiary will ensure that its non-performing loans do not exceed three percent of the total receivables for each financial year and semester of the following year.

**PT Bank Mizuho Indonesia**

On June 29, 2018, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank Mizuho Indonesia (Mizuho) signed a loan agreement that Mizuho provides non revolving term loan facility with total limit up to Rp697,750 which withdrawn on February 7, 2019 and bears to 8.60% of interest rate. Those facility will be matured on February 7, 2022.

As of December 31, 2020 and 2019, outstanding borrowings from Mizuho amounted to Rp292,668 and Rp518,407, respectively.

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**36. FUND BORROWINGS (continued)**

(f) Others (continued)

Foreign currencies (continued)

**Bank of China Limited, Jakarta Branch**

On March 29, 2018 the Subsidiary (PT Mandiri Tunas Finance) and PT Bank of China (BOC) signed a loan agreement where BOC provide a term loan facility with a total limit equivalent to Rp575,000 at drawdown which is non-revolving and bears interest rate of 9.25%. The facility will be matured on December 24, 2021.

As of December 31, 2020 and 2019, outstanding borrowings from PT Bank of China amounted to Rp187.875 and Rp370,013, respectively.

**DBS Bank Ltd.**

On March 6, 2019, the Subsidiary (PT Mandiri Sekuritas) and DBS Bank Ltd. (DBS) signed a working capital loan facility agreement amounted to USD5,000,000 (full amount) and bears fixed interest rate of 3.24% and 3.14% at withdrawals. This facility has withdrawn on December 2019 and have no maturity date. The facility will be matured when the Subsidiary or DBS decided to terminate the agreement.

On March 20, 2020, the Subsidiary (PT Mandiri Sekuritas) and DBS signed an additional working capital credit facility amounted to USD7,500,000 (full amount) with fixed interest rate of 3.24% at the time drawdown. This facility has matured and this facility has been paid on maturity.

As of December 31, 2020 and 2019, outstanding borrowings from DBS amounted to RpNil and Rp69,521, respectively.

**PT Bank UOB Indonesia**

On September 29, 2011, the Subsidiary (PT Mandiri Sekuritas) and PT Bank UOB Indonesia ("UOB") entered into a revolving loan facility at the maximum of Rp200,000, the sub limit facility as uncommitted bank guarantee at the maximum of Rp200,000 and foreign exchange line facility up to USD5,000,000 (full amount). The maximum validity period up to September 29, 2012 and continuously extended up to February 1, 2020. According to the loan agreement, interest rate is determined by the bank. The interest rate at withdrawal bears at 3.45%. This facility has matured and this facility has been paid on maturity.

As of December 31, 2020 and 2019, outstanding borrowings from Bank UOB amounted to RpNil and Rp6,951, respectively.

**PT Bank ANZ Indonesia**

On October 11, 2018 the Subsidiary (PT Mandiri Tunas Finance) and PT Bank ANZ Indonesia (ANZ) entered into a revolving working capital loan agreement with the equivalent of Rp217,215 and bears an interest rate of 4.00%. This facility will be matured on October 11, 2019.

The working capital facility, which matured on July 10, 2020, has been extended again until January 14, 2021.

As of December 31, 2020 and 2019, the loan from ANZ amounted to the equivalent of Rp200,000 and RpNil, respectively.

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**36. FUND BORROWINGS (continued)**

(f) Others (continued)

Foreign currencies (continued)

**PT Bank ANZ Indonesia (continued)**

Loans received by PT Mandiri Tunas Finance and PT Mandiri Utama Finance are secured by consumer financing receivables amounting to Rp8,748,731 as of December 31, 2020 (December 31, 2019: Rp9,556,239) (Note 13g) and net investment in finance leases amounting to Rp977,460 as of December 31, 2020 (December 31, 2019: Rp368,957) (Note 14g).

The loan facilities from several banks and syndicated banks require the Subsidiaries to provide written notification regarding the distribution of dividends, changes in capital and shareholders, changes in the composition of the board of directors and commissioners, changes in the main business, investments and obtaining new loans from other banks.

In the loan agreement, the Subsidiary is also required to meet financial requirements such as the ratio of the total interest payable to equity not exceeding 10:1 ratio and other reporting obligations. composition of the board of directors and commissioners, changes in the main business, investment and obtaining new loans from other banks.

Bank Mandiri and its Subsidiaries have paid all interest for fund borrowings in accordance with the schedule of interest payments during the years ended December 31, 2020 and 2019.

During the years ended December 31, 2020 and 2019, Bank Mandiri and its Subsidiaries have fulfilled the condition and requirements set forth in the fund borrowing agreements.

**37. SUBORDINATED LOANS AND MARKETABLE SECURITIES**

By type and currency:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah		
Medium Term Notes Subordinated I		
Bank Mandiri		
Related parties (Note 57)	107,750	127,750
Third parties	392,250	372,250
Total	<u>500,000</u>	<u>500,000</u>
Foreign currencies		
Two-Step Loans (TSL)		
Third parties		
Asian Development Bank (ADB)		
(Note 63B.(iv))	151,623	165,045
	<u>651,623</u>	<u>665,045</u>
Less: unamortised issuance cost	(657)	(828)
<b>Net</b>	<b><u>650,966</u></b>	<b><u>664,217</u></b>

**PT BANK MANDIRI (PERSERO) Tbk. AND SUBSIDIARIES**  
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**37. SUBORDINATED LOANS AND MARKETABLE SECURITIES (continued)**

**Medium Term Notes Subordination I Bank Mandiri**

In order to strengthen the capital structure and long-term funding structure, as well as to support the credit expansion, on July 31, 2018, Bank Mandiri issued Subordinated Medium Term Notes I Bank Mandiri 2018 (the "Subordinated MTN I") amounted to Rp500,000. On December 31, 2020, the unamortised issuance cost of Subordinated MTN I amounted to Rp657.

Subordinated MTN I has 5 (five) years in terms and will be matured on July 31, 2023, in which issued scriptless with a fixed rate of 8.50% per annum. The Trustee of the issuance of Subordinated MTN I is PT Bank Permata Tbk.

Interest of Subordinated MTN I is paid on quarterly basis, starting from October 31, 2018 whilst the last interest payment, in which also the maturity date and the repayment of the principal of Subordinated MTN I, is on July 31, 2023. The principal of MTN I will be fully repaid on the maturity date.

Subordinated MTN I can be treated as supplementary capital components (Tier 2) according to the approval from FSA through letter No. S-109/PB.31/2018 dated September 20, 2018.

Prior to fully repay the amount outstanding of the MTN, Bank Mandiri is obliged to: (i) maintain at all times soundness financial condition in accordance to FSA regulation; (ii) maintain a minimum level of soundness composite rating of 3 (three) which is categorised as "fair", according to internal assessment based on FSA regulation and/or Bank Indonesia; (iii) obtain to comply with all requirements and exercise all necessary things to keep the authority, license and approval (from government or other authorities) comply with requirement in accordance to Republic of Indonesia's law.

Bank Mandiri without written permission from Trustee shall not: (i) reduce registered capital, issued capital and paid-up capital, except required by the government, authorised by the Authorities or Bank Indonesia; (ii) change the core business; (iii) perform merger, dissolution and/or taken over by other entity which lead to dissolution of Bank Mandiri.

Subordinated MTN I is not guaranteed by a special collateral, except guarantee which refer to Article 1131 and 1132 of Indonesian civil law (UU *Hukum Perdata*) which is cover all the Bank's either moving objects and objects that are not moving, present or future.

There was no breach of the Trustee restrictions agreement on Subordinated MTN I during the year ended on December 31, 2020.

As of December 31, 2020, rating of MTN Subordinated I based on Pefindo was idAA (double A).

**Two-step loans - Asian Development Bank**

This account represents a credit facility from Asian Development Bank (ADB) to the Government of the Republic of Indonesia, through the Ministry of Finance of the Republic of Indonesia, which are relent to participating banks to finance several projects in Indonesia. The detail of this facility is as follows:

<u>Credit Facility</u>	<u>Purpose</u>	<u>Repayment Period</u>
ADB 1327 - INO (SF)	Funding Micro Credit Project (PKM).	January 15, 2005 - July 15, 2029 with 1 <sup>st</sup> installment on January 15, 2005.

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**37. SUBORDINATED LOANS AND MARKETABLE SECURITIES (continued)**

**Two-step loans - Asian Development Bank (continued)**

The details of credit facilities from ADB are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
ADB Loan 1327 - INO (SF)	151,623	165,045

The Minister of Finance through its letter No. S-596/MK.6/2004 dated July 12, 2004, has approved the transfer of management of Micro Credit Project (PKM) of ADB loans No. 1327 - INO (SF) from Bank Indonesia to Bank Mandiri. With that approval, an amendment was made on the channeling loan agreement No. SLA-805/DP3/1995 dated April 27, 1995, which was revised by amendment No. AMA-287/SLA-805/DP3/2003 dated April 22, 2003, between the Republic of Indonesia and Bank Indonesia to the Republic of Indonesia and PT Bank Mandiri (Persero) Tbk., with amendment No. AMA-298/SLA-805/DP3/2004 dated July 16, 2004.

The ADB loans for Micro Credit Projects was granted in SDR (Special Drawing Rights) currency in amount of SDR15,872,600.44 (full amount) which required Bank Mandiri to repay in SDR currency to the Government in 50 (fifty) prorated semi-annual installments every January 15 and July 15, with the first installment paid on January 15, 2005 and will end on July 15, 2029. The ADB loans are subject to a service charge of 1.50% per annum which is charged on every January 15 and July 15, every year starting from its drawdown.

**38. TEMPORARY SYIRKAH FUNDS**

Temporary *Syirkah* funds consists of:

a. Deposits from Customers

1) Demand Deposits

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah		
Related parties (Notes 57)		
Demand deposits -		
restricted investment	39,968	-
Demand deposits -		
<i>mudharabah musyarakah</i>	600,997	-
	<u>640,965</u>	<u>-</u>
Third parties		
Demand deposits - restricted and		
unrestricted investment		
<i>mudharabah musyarakah</i>	270,523	2,963,613
Demand deposits <i>mudharabah musyarakah</i>	2,439	6,207
	<u>272,962</u>	<u>2,969,820</u>
	<u><b>913,927</b></u>	<u><b>2,969,820</b></u>

The demand deposits - restricted investment are deposit from third parties which will receive return from Subsidiary's restricted investment based on the agreed share (*nisbah*) of the Subsidiary's revenue.

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**38. TEMPORARY SYIRKAH FUNDS (continued)**

Temporary *Syirkah* funds consists of (continued):

a. Deposits from Customers (continued)

2) Saving Deposits

a. Based on type:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Related parties (Note 57)		
<i>Mudharabah</i> saving deposits -		
unrestricted investment		
BSM saving deposits	154,105	206,964
<i>Berencana</i> BSM saving deposits	135	309
<i>Mabrur</i> saving deposits	523	52
<i>Investa Cendekia</i> saving deposits	230	179
	<u>154,993</u>	<u>207,504</u>
Third parties		
Saving deposits - restricted investment	661,585	787,424
<i>Mudharabah</i> saving deposits -		
unrestricted investment		
BSM saving deposits	32,125,379	27,587,172
<i>Mabrur</i> saving deposits	5,125,416	4,954,428
Retirement saving deposits	706,677	583,159
<i>Investa Cendekia</i> saving deposits	413,463	405,563
<i>Berencana</i> BSM saving deposits	144,794	147,921
<i>Qurban</i> saving deposits	144	255
	<u>39,177,458</u>	<u>34,465,922</u>
<b>Total</b>	<b><u>39,332,451</u></b>	<b><u>34,673,426</u></b>

The saving deposits - restricted investment represent deposit from third parties which will receive return from Subsidiary's restricted investment based on the agreed share (*nisbah*) of the Subsidiary's revenue.

The *Mudharabah* saving deposits - unrestricted investment represent third parties' deposits which will receive return from Subsidiary's investment based on the agreed share (*nisbah*) of the Subsidiary's revenue.

b. Ranging of the annual profit sharing ratio (*nisbah*) for *Mudharabah* saving deposits - unrestricted investment:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Profit sharing ratio ( <i>nisbah</i> )	0.09% - 4.75%	0.47% - 4.72%

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**38. TEMPORARY SYIRKAH FUNDS (continued)**

Temporary *Syirkah* funds consists of (continued):

a. Deposits from Customers (continued)

3) *Mudharabah* Time Deposit - unrestricted investment

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah		
Related parties (Note 57)	3,282,483	1,510,315
Third parties	37,325,208	41,404,074
Total	<u>40,607,691</u>	<u>42,914,389</u>
Foreign currency		
Related parties (Note 57)	43,449	16,101
Third parties	2,826,950	2,442,467
Total	<u>2,870,399</u>	<u>2,458,568</u>
	<b><u>43,478,090</u></b>	<b><u>45,372,957</u></b>

b. Deposits from Other Banks

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Related parties (Catatan 57)		
<i>Mudharabah</i> saving deposits - unrestricted investment	14,740	-
<i>Mudharabah</i> time deposits - unrestricted investment	19,000	-
	<u>33,740</u>	<u>-</u>
Third parties		
<i>Mudharabah</i> saving deposits - unrestricted investment	323,320	343,098
<i>Mudharabah</i> time deposits - unrestricted investment	189,026	102,929
<b>Subtotal</b>	<b><u>512,346</u></b>	<b><u>446,027</u></b>
<b>Total</b>	<b><u>546,086</u></b>	<b><u>446,027</u></b>

c. Other significant information related to the time deposits for deposits from customers and deposits from other banks

1) By contract period:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah		
1 month	26,972,370	30,575,948
3 months	6,538,785	6,962,624
6 months	3,275,598	1,875,956
12 months	4,028,964	3,602,790
Total	<u>40,815,717</u>	<u>43,017,318</u>
Foreign currency		
1 month	2,181,993	1,623,141
3 months	472,984	390,890
6 months	68,540	67,116
12 months	146,882	377,421
Total	<u>2,870,399</u>	<u>2,458,568</u>
	<b><u>43,686,116</u></b>	<b><u>45,475,886</u></b>



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**38. TEMPORARY SYIRKAH FUNDS (continued)**

Temporary *Syirkah* funds consists of (continued):

- c. Other significant information related to the time deposits for deposits from customers and deposits from other banks (continued)

- 2) By remaining period until maturity date:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah		
Less than 1 month	29,519,830	31,615,397
1 - 3 months	6,997,433	7,447,123
3 - 6 months	2,080,665	1,954,776
6 - 12 months	2,217,789	2,000,022
Total	<u>40,815,717</u>	<u>43,017,318</u>
Foreign currency		
Less than 1 month	2,235,126	1,786,146
1 - 3 months	476,195	286,742
3 - 6 months	74,063	65,946
6 - 12 months	85,015	319,734
Total	<u>2,870,399</u>	<u>2,458,568</u>
	<b><u>43,686,116</u></b>	<b><u>45,475,886</u></b>

*Mudharabah* time deposits represent third parties' deposits which received a profit sharing return from the Subsidiary's income over utilisation of its fund based on an agreed profit sharing ratio (*nisbah*) arranged in *Mudharabah Muthlaqah* agreement.

- 3) Ranging of the Annual Profit Sharing Ratio (*nisbah*) for *Mudharabah* Time Deposits:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Rupiah	4.06% - 5.64%	4.11% - 5.90%
Foreign currency	0.38% - 1.58%	0.64% - 1.57%

- 4) *Mudharabah* time deposits with *Mudharabah Muthlaqah* agreement that is pledged as collateral for receivables and financing amounted to Rp7,969,982 and Rp6,190,705 as of December 31, 2020 and 2019, respectively.

**39. NONCONTROLLING INTERESTS IN NET ASSETS OF CONSOLIDATED SUBSIDIARIES**

This account represents noncontrolling interests in net assets of consolidated Subsidiaries are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
PT AXA Mandiri Financial Services	1,465,910	1,423,616
PT Bank Mandiri Taspen	1,636,380	1,258,073
PT Mandiri Tunas Finance	1,037,657	1,219,224
PT Asuransi Jiwa Inhealth Indonesia	257,299	261,336
PT Mandiri Utama Finance	255,327	271,061
PT Mandiri Sekuritas	340	290
PT Mandiri Capital Indonesia	218	72
<b>Total</b>	<b><u>4,653,131</u></b>	<b><u>4,433,672</u></b>

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**40. SHARE CAPITAL**

**a. Authorised, Issued and Fully Paid Capital**

The Bank's authorised, issued and fully paid capital as of December 31, 2020 and 2019, respectively, are as follows:

December 31, 2020				
	Number of shares	Nominal value per Share (full amount)	Share value (full amount)	Percentage of ownership
<b>Authorised Capital</b>				
Share series A Dwiwarna	1	250	250	0,00 %
Common shares series B	63,999,999,999	250	15,999,999,999,750	100,00%
<b>Total Authorised Capital</b>	<b>64,000,000,000</b>		<b>16,000,000,000,000</b>	<b>100,00%</b>
<b>Issued and Fully Paid Capital</b>				
Share series A Dwiwarna				
Republic of Indonesia	1	250	250	0,00%
Common Shares Series B	27,999,999,999	250	6,999,999,999,750	60,00%
Republic of Indonesia				
Board of Commissioners:				
Ardan Adiperdana	695,900	250	173,975,000	0,00%
Ronald Silaban	128,900	250	32,225,000	0,00%
Board of Director:				
Darmawan Junaidi	1,319,500	250	329,875,000	0,00%
Alexandra Askandar	1,543,600	250	385,900,000	0,01%
Ahmad Siddik Badruddin	2,470,700	250	617,675,000	0,01%
Rico Usthavia Frans	1,474,100	250	368,525,000	0,00%
Agus Dwi Handaya	1,250,100	250	312,525,000	0,00%
Panji Irawan	1,135,100	250	283,775,000	0,00%
Riduan	935,400	250	233,850,000	0,00%
Aquarius Rudianto	280,500	250	70,125,000	0,00%
Toni Eko Boy Subari	58,500	250	14,625,000	0,00%
Susana Indah K, Indriati	118,400	250	29,600,000	0,00%
Public (less than 5%)	18,619,855,966	250	4,654,963,991,500	39,90%
	46,631,266,666		11,657,816,666,500	<b>99,92%</b>
Treasury shares (Note 1f)	35,400,000	250	8,850,000,000	0,08%
	<b>46,666,666,666</b>		<b>11,666,666,666,500</b>	<b>100,00%</b>
December 31, 2019				
	Number of shares	Nominal value per Share (full amount)	Share value (full amount)	Percentage of ownership
<b>Authorised Capital</b>				
Share series A Dwiwarna	1	250	250	0.00%
Common shares series B	63,999,999,999	250	15,999,999,999,750	100.00%
<b>Total Authorised Capital</b>	<b>64,000,000,000</b>		<b>16,000,000,000,000</b>	<b>100.00%</b>
<b>Issued and Fully Paid Capital</b>				
Share series A Dwiwarna				
Republic of Indonesia	1	250	250	0.00%
Common Shares Series B	27,999,999,999	250	6,999,999,999,750	60.00%
Republic of Indonesia				
Board of Commissioners:				
Kartika Wirjoatmodjo	789,000	250	197,250,000	0.00%
Ardan Adiperdana	319,500	250	79,875,000	0.00%
R. Widyo Pramono	249,900	250	62,475,000	0.00%
Board of Directors:				
Royke Tumilaar	786,100	250	196,525,000	0.00%
Sulaiman Arif Arianto	1,103,558	250	275,889,500	0.00%
Hery Gunardi	1,102,100	250	275,525,000	0.00%
Rico Usthavia Frans	684,100	250	171,025,000	0.00%
Darmawan Junaidi	529,500	250	132,375,000	0.00%
Ahmad Siddik Badruddin	1,680,700	250	420,175,000	0.00%
Alexandra Askandar	753,600	250	188,400,000	0.00%
Agus Dwi Handaya	415,100	250	103,775,000	0.00%
Panji Irawan	345,100	250	86,275,000	0.00%
Donsuwan Simatupang	345,100	250	86,275,000	0.00%
Riduan	158,400	250	39,600,000	0.00%
Public (less than 5%)	18,657,404,908	250	4,664,351,227,000	40.00%
	<b>46,666,666,666</b>		<b>11,666,666,666,500</b>	<b>100.00%</b>

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**40. SHARE CAPITAL (continued)**

**a. Authorised, Issued and Fully Paid Capital (continued)**

As of December 31, 2018, there was a change of ownership of the stock owned by the Board of Commissioners of Bank Mandiri, where the ownership of shares in the prior year was nil. The share ownership was related to the implementation of FSA regulation No. 45/POJK.03/2015, about the application of corporate governance in granting of remuneration for commercial banks, where as member of Directors and Non Independent Board of Commissioners of are entitled to variable remuneration in form of Bank's share for 2017 financial performance.

Shares owned by the Board of Commissioners and Board of Directors For the year ended December 31, 2020 and 2019 respectively, amounted to 11,410,700 shares and 9,261,758 shares, or 0.01% and 0.01% of the total number of authorised shares.

The determination of issued and fully paid capital amounted to Rp4,000,000 by the Government of the Republic of Indonesia at the date of establishment of Bank Mandiri was carried out as follows:

1. Cash payment through Bank Indonesia amounted to Rp1,600,004.
2. Placements in shares recorded as investments in shares of the Merged Banks amounted to Rp599,999 each or totaling Rp2,399,996, through the transfer of shares of the Government of the Republic of Indonesia in each of the Merged Banks to Bank Mandiri, as resolved during the respective Extraordinary General Shareholders' Meetings of the Merged Banks. Based on the agreement ("*inbreng*") notarised by Notarial Deed No. 9 of Notary Sutjipto, S.H. dated October 2, 1998, Bank Mandiri and the Government of the Republic of Indonesia agreed to transfer those shares as payment for new shares to be issued by Bank Mandiri.

Based on the amendments to the Articles of Association of Bank Mandiri by virtue of Notarial Deed No. 98 of Notary Sutjipto, S.H. dated July 24, 1999, the shareholders resolved to increase the paid-in capital (share capital) of Bank Mandiri from Rp4,000,000 to Rp4,251,000 to be entirely paid by the Government of the Republic of Indonesia. The increase of Rp251,000 was a conversion from additional paid-in capital to share capital as a result of an excess from recapitalisation bonds issued under the First Recapitalisation Program as per Government Regulation No. 52 year 1999.

Based on the Extraordinary General Meeting of Shareholders resolution dated May 29, 2003, which was documented in Notarial Deed No. 142 of Notary Sutjipto, S.H., dated May 29, 2003, the shareholders approved these following matters:

- (i) Execution of Initial Public Offering.
- (ii) Changes in capital structure of Bank Mandiri.
- (iii) Changes in articles of association of Bank Mandiri.

In relation to the shareholders decision to change the capital structure, Bank Mandiri increased its issued and fully paid capital to Rp10,000,000 and split the share price (stock split) from Rp1,000,000 (full amount) per share to Rp500 (full amount) per share. Accordingly, the number of authorised shares increased from 16,000,000 shares to 32,000,000,000 shares, and the number of issued and fully paid shares increased from 10,000,000 shares with a nominal value of Rp1,000,000 (full amount) to 20,000,000,000 shares with a nominal value of Rp500 (full amount) which consists of 1 Dwiwarna share Series A and 19,999,999,999 Common shares Series B which owned by the Republic of Indonesia.

In relation to the change in capital structure of Bank Mandiri, the Extraordinary General Meeting of Shareholders also approved the allocation on part of recapitalisation fund amounted to Rp168,801,315 as share premium.

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**40. SHARE CAPITAL (continued)**

**a. Authorised, Issued and Fully Paid Capital (continued)**

The changes of capital structure that mentioned above became effective started from May 23, 2003, with the conditional requirement that the Bank should conduct a quasi-reorganisation before the end of 2003 as required in the Extraordinary General Meeting of Shareholders.

The Dwiwarna share Series A represents a share owned by the Republic of Indonesia, which is not transferrable. It provides the Republic of Indonesia with the privileges where General Meeting of Shareholders can make decision only if the Dwiwarna Series A Shareholders attend and approve certain agendas.

The agenda of General Meeting of Shareholders where the shareholder of Dwiwarna Series A are mandatory to attend and approve are:

1. Increases in capital.
2. Appointment and termination of the Boards of Directors and Commissioners.
3. Amendment of the Articles of Association.
4. Mergers, acquisitions and takeovers.
5. Dissolution and liquidation.

The changes in the capital structure were based on the Minutes of Meeting regarding the amendment of the Articles of Association (Pernyataan Keputusan Rapat Perubahan Anggaran Dasar) of PT Bank Mandiri (Persero) as notarised by Sutjipto, S.H. No. 2 dated June 1, 2003. The amendment was approved by the Ministry of Law and Human Rights of the Republic of Indonesia through Decision Letter No. C-12783.HT.01.04.TH.2003 dated June 6, 2003 and announced in Appendix No. 6590 of State Gazette of the Republic of Indonesia No. 63 dated August 8, 2003.

The increase in issued and fully paid capital of Bank Mandiri from Rp4,251,000 to Rp10,000,000 was made through the following:

1. Partial return of fully paid capital of Rp251,000 to the Government as a part of the return of excess recapitalisation fund of Rp1,412,000 which was retained by Bank Mandiri, and an increase in paid-in capital amounted to Rp1,000,000 from the capitalisation of reserves, based on Government Regulation No. 26 year 2003 dated May 29, 2003, regarding the Conversion of the Investment of the Republic of Indonesia into the Paid-in Capital of PT Bank Mandiri (Persero), and Decree of the Ministry of State-Owned Enterprises, as the Bank's shareholders', No. KEP-154/M-MBU/2002 dated October 29, 2002.
2. Increase in fully paid capital of Rp5,000,000 from the additional paid-in capital based on the Decree of the Ministry of Finance of the Republic of Indonesia ("KMK RI") No. 227/202.02/2003 dated May 23, 2003 regarding "The Final Amount and Implementation of the Government's Rights Arising from the Additional Share of the Government of the Republic of Indonesia in PT Bank Mandiri (Persero) in Relation to the Commercial Banking Recapitalisation Program".

**Management Stock Option Plan**

Based on the Extraordinary General Meeting of Shareholders held on May 29, 2003, which was notarised by Notary Sutjipto, S.H., in notarial deed No. 142 dated May 29, 2003, the shareholders' agreed on employee stock ownership plan through an Employee Stock Allocation ("ESA") Program (ESA) and a Management Stock Option Plan ("MSOP"). The ESA program consists of a Share Plan Bonus and a Share Purchase at Discount program. MSOP is designated for Directors and Senior Management at certain levels and based on certain criteria. All costs and discounts related to the ESA program are recognised by the Bank through allocation of reserves. The management and execution of the ESA and MSOP programs are performed by the Board of Directors, while the supervision is performed by the Board of Commissioners.

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**40. SHARE CAPITAL (continued)**

**a. Authorised, Issued and Fully Paid Capital (continued)**

Management Stock Option Plan (continued)

On July 14, 2003, the Government of the Republic of Indonesia divested 4,000,000,000 shares representing 20.00% of its ownership in Bank Mandiri through an Initial Public Offering (IPO).

As a follow up action on the Government of Republic of Indonesia Regulation No. 27/2003 dated June 2, 2003, which approved the divestment of the Government ownership in Bank Mandiri of up to 30.00%, and based on a decision of *Tim Kebijakan Privatisasi Badan Usaha Milik Negara* No. Kep-05/TKP/01/2004 dated January 19, 2004, the Government of the Republic of Indonesia divested an additional 10.00% of ownership interest in Bank Mandiri or 2,000,000,000 shares of Common Shares of B Series on March 11, 2004 through private placement.

On July 14, 2003, the date of the IPO, through MSOP Stage 1, the Bank issued 378,583,785 share options for the management with an exercise price of Rp742.50 (full amount) per share and a nominal value of Rp500 (full amount) per share. The share options are recorded in the Shareholders' Equity account - Share Options at fair value amounted to Rp69.71 (full amount) per share options. MSOP Stage 1 has been exercised in total 375,365,957 shares, thereby increasing the total issued and fully paid capital by Rp187,683, share premium by Rp117,193. MSOP stage 1 could be exercised until July 13, 2008 based on Announcement of Indonesia Stock Exchange (formerly Jakarta Stock Exchange) No. Peng-262/BEJ.PJS/P/07-2004 dated July 14, 2004.

The Annual General Meeting of Shareholders on May 16, 2005 approved MSOP Stage 2 amounted to 312,000,000 share options. The exercise price for each share is Rp1,190.50 (full amount) to be exercised in the first year and Rp2,493 (full amount) to be exercised in the second year and the following year. The nominal value per share is Rp500 (full amount). The Bank recorded MSOP Stage 2 in the shareholders' equity account - Share Options with fair value amounted to Rp642.28 (full amount) per share options. MSOP Stage 2 has been exercised in total 311,713,697 shares thereby increasing the total issued and fully paid capital by Rp155,857 and share premium by Rp425,233. The fifth period (the last period) to exercise the MSOP Stage 2 conversion option right start from May 4, 2010 during 30 trading days as published in the Announcement of the Indonesia Stock Exchange (formerly Jakarta Stock Exchange) No. Peng-97/BEJ-PSJ/P/02-2007 dated February 2, 2007. The un-exercised MSOP Stage 2 stock option was 286,303 shares or amounted to Rp184 that has expired and recorded as additional paid-in capital/share premium.

The Annual General Meeting of Shareholders on May 22, 2006 approved MSOP Stage 3 amounted to 309,416,215 share options. The General Shareholders Meeting also delegated an authority to the Board of Commissioners to determine the execution and monitoring policy of MSOP Stage 3 including the options implementation and report it in the next annual general shareholders' meeting.

The exercise price for each share in the MSOP Stage 3 is Rp1,495.08 (full amount) with nominal value of Rp500 (full amount) per share. The Bank recorded MSOP Stage 3 as part of the shareholders' equity account at fair value amounted to Rp593.89 (full amount) per share option. The total option that has been exercised in MSOP Stage 3 was 309,415,088 shares thereby increasing the total issued and fully paid capital by Rp154,707 and share premium by Rp491,651. The execution period of MSOP Stage 3 ended in February 2011, before the commencement Bank Mandiri pre-emptive rights trading dated February 14, 2011 until February 21, 2011. The un-exercised MSOP Stage 3 stock option was 1,127 shares or amounted to Rp4 that has expired and recorded as additional paid-in capital/share premium.

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**40. SHARE CAPITAL (continued)**

**a. Authorised, Issued and Fully Paid Capital (continued)**

Management Stock Option Plan (continued)

On December 27, 2010, Bank Mandiri submitted a first registration to FSA (formerly Capital Market Supervisory Board and Financial Institution (Bapepam and LK)) in relation to the Limited Public Offering (LPO) to the Bank's shareholders in respect to the issuance of pre-emptive rights ("Rights") of 2,336,838,591 shares series B. The Limited Public Offering has been approved by the Board of Commissioners through its letter dated April 29, 2010. The Bank has submitted the notification letter regarding the Limited Public Offering to Bank Indonesia through its letter dated September 17, 2010. The Limited Public Offering has been enacted through the Indonesian Government Regulation No. 75 of 2010 dated November 20, 2010.

LPO has been approved by Bapepam and LK through its letter No. S-807/BL/2011 dated January 27, 2011, and the LPO has become effective after obtaining approval in the Extraordinary General Shareholders Meeting held on January 28, 2011.

The pre-emptive rights of 2,336,838,591 shares were traded during the period of February 14 - 21, 2011 with an exercise price of Rp5,000 (full amount) per share which resulted in an additional of issued and paid-up capital amounted to Rp1,168,420.

Based on the Extraordinary Annual Meeting held on August 21, 2017, shareholders of Bank Mandiri approved to split Bank Mandiri's stock from Rp500 (full amount) per share to Rp250 (full amount) per share which made Bank Mandiri's equity amounted to 46,666,666,666 shares consist of 1 share series A Dwiwarna and 46,666,666,665 common share series B. There are no changes for Bank Mandiri's authorised, issued and fully paid capital which caused by the stock split. The stock split effective started from September 13, 2017.

**b. Additional Paid-In Capital/Share Premium**

The additional paid-in capital/share premium as of December 31, 2020 and 2019, amounted to Rp17,316,192 is derived from LPO and Recapitalisation Program (Note 1c) and Sale of Bank Mandiri Shareholding in UGM and BDP. The share premium amount of Rp17,316,192 already includes the share premium from LPO (Note 40a) amounted to Rp10,515,774 before deducted by expenditures related to the LPO amounted to Rp274,078. The additional share premium in 2013 amounted Rp113,817 in the consolidated financial statements (Rp273,932 in Parent Entity financial statements) is generated from the transfer of share ownership of Bank Mandiri in UGM and BDP to controlling entity, which represents the difference between selling price and book value of shares in consolidated financial statements.

The difference between selling price and book value of shares recorded as share premium in Parent Entity and consolidated financial statements are amounted to Rp273,932 and Rp113,817, respectively.

Based on the results of a due diligence review conducted on behalf of the Government dated December 31, 1999 and Management Contract (IMPA) dated April 8, 2000, it was decided that there was an excess on recapitalisation amounted to Rp4,069,000. The Bank has refunded Rp2,657,000 of Government Recapitalisation Bonds to the Government on July 7, 2000 pursuant to the Management Contract. The remaining balance of Rp1,412,000 was refunded to the Government on April 25, 2003 based on approval from the shareholders during its meeting on October 29, 2002 and the Ministry of State-Owned Enterprises Decision Letter No. KEP-154/M-MBU/2002 dated October 29, 2002.

The refund for above excess of recapitalisation amounted to Rp1,412,000 includes a portion of issued and fully paid capital of Rp251,000.

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**40. SHARE CAPITAL (continued)**

**b. Additional Paid-In Capital/Share Premium (continued)**

On May 23, 2003, the Minister of Finance of the Republic of Indonesia issued Decree (KMK-RI) No. 227/KMK.02/2003 dated May 23, 2003, which was amended by KMK-RI No. 420/KMK.02/2003 dated September 30, 2003, which provides further guidance on Government Regulations No. 52 year 1999 and No. 97 year 1999 regarding the additional Government participation in Bank Mandiri's capital.

The following are the matters decided under the KMK-RI:

- a. The final Bank Mandiri recapitalisation amount is Rp173,801,315;
- b. The recapitalisation fund of Rp5,000,000 is converted into 5,000,000 new shares issued by Bank Mandiri with a nominal value of Rp1,000,000 (full amount) per share;
- c. The remaining recapitalisation fund amount of Rp168,801,315 is recorded as share premium within the capital structure of Bank Mandiri.

Through quasi-reorganisation, the Bank's accumulated losses as of April 30, 2003 amounted to Rp162,874,901 were eliminated against additional paid-in capital/share premium.

**c. Distribution of net income**

Based on the Annual General Shareholders' Meeting held on February 19, 2020 and May 16, 2019, the shareholders approved the distribution of the 2019 and 2018 net income as follows:

	<b>2019</b>	<b>2018</b>
Dividends	16,489,280	11,256,759
Retained Earnings Unappropriated	10,992,853	13,758,262
	27,482,133	25,015,021
Dividend per share (full amount)	353.341712	241,216272

Dividends from 2019 net income amounted to Rp16,489,280 were paid on March 20, 2020 and dividends from 2018 net income amounted to Rp11,256,759 were paid on June 19, 2019. Payment of dividends were recorded in the consolidated statement of changes in equity at the year the payment was made.

**d. Treasury Stock**

The Bank buyback its shares which was triggered by a slowdown and economic pressure both regionally and nationally, among others, was caused by the COVID-19 outbreak. Furthermore, the condition of stock trading on the Indonesia Stock Exchange from the beginning of 2020 to March 9, 2020 experienced significant pressure as indicated by a decrease in the Composite Stock Price Index (IHSG) of 18.46%. Furthermore, in order to provide an economic stimulus and reduce the impact of a significantly fluctuating market, Financial Service Authority issued SEOJK No. 3/SEOJK.04/2020, to ease Issuers or Public Companies to carry out corporate action to buy back shares without violating applicable laws and regulations. This is one of the considerations for the Bank to carry out the buy back process.

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**40. SHARE CAPITAL (continued)**

**d. Treasury Stock (continued)**

For this share's buyback, the Bank also refers to FSA Regulation No. 2/POJK.04/2013 regarding the buyback shares issued by issuers or public companies in market conditions that fluctuate significantly ("POJK No. 2/POJK.04/2013"). FSA Circular Letter No. 3/SEOJK.04/2020 regarding other conditions as market conditions with significant fluctuation in the implementation of share buybacks issued by issuers or public companies ("SEOJK No. 3/SEOJK.04/2020").

The buyback of the shares were carried out in stages for a period of 3 (three) months starting from March 20, 2020 to June 19, 2020, where the buyback transaction were carried out through the Indonesia Stock Exchange. As of December 31, 2020, the Bank has bought back 35,400,000 (full amount) shares with a total acquisition value of Rp150,895 which are recorded as treasury shares, which are a deduction of equity.

Until the period ended December 31, 2020, the Bank has not yet disposed the treasury shares thus there are no difference between acquisition price and disposal price of treasury shares.

**41. INTEREST INCOME AND SHARIA INCOME**

Interest income and sharia income are as follow:

	Years ended December 31,	
	2020	2019
<u>Interest income</u>		
Loans	63,732,880	69,228,698
Government bonds	7,646,185	6,951,891
Marketable securities	3,410,975	2,694,677
Consumer financing income	2,980,134	3,670,767
Placements with Bank Indonesia and other banks	1,255,393	1,248,275
Others	1,067,470	636,867
	<b>80,093,037</b>	<b>84,431,175</b>
<u>Sharia income</u>		
<i>Murabahah</i> and <i>Istishna</i> income - net	4,806,630	4,776,750
<i>Musyarakah</i> income	2,256,646	2,015,342
<i>Mudharabah</i> income	122,063	248,319
<i>Ijarah</i> income - net	42,741	53,504
	<b>7,228,080</b>	<b>7,093,915</b>
<b>Total</b>	<b>87,321,117</b>	<b>91,525,090</b>

Included in interest income from loans is interest income recognised on the non-impaired portion of the impaired loans (time value unwinding) for the year ended December 31, 2020 and 2019 amounted to Rp413,839 and Rp511,176 and fees and commissions income directly attributable to lending activities amortised using effective interest rate method for the year ended December 31, 2020 and 2019 amounted to Rp2,749,781 and Rp3,334,201, respectively.



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**41. INTEREST INCOME AND SHARIA INCOME (continued)**

As of December 31, 2020 and 2019 included in interest income and sharia income was income from transaction with related parties on government bonds and treasury bills amounted to Rp7,646,185 and Rp6,951,891, respectively (refer to Note 57).

**42. INTEREST EXPENSE AND SHARIA EXPENSE**

Interest expense and sharia expense are incurred on the following:

	Years ended December 31,	
	2020	2019
<u>Interest expense</u>		
Time deposits	15,097,476	14,826,827
Demand deposits	4,676,832	4,984,326
Fund borrowings	2,915,060	3,525,738
Saving deposits	3,126,866	3,416,706
Debt securities issued	2,403,431	2,282,866
Subordinated loans and marketable securities	2,222	1,205
Others	718	32,558
	<b>28,222,605</b>	<b>29,070,226</b>
<u>Sharia expense</u>		
<i>Mudharabah deposits</i>	2,061,065	2,402,722
<i>Mudharabah saving deposits</i>	479,856	532,066
<i>Restricted Investments</i>	49,444	68,446
<i>Musytarakah - mudharabah musytarakah</i>	18	23
Certificate of interbank <i>mudharabah</i> investment	-	11,419
	<b>2,590,383</b>	<b>3,014,676</b>
	<b>30,812,988</b>	<b>32,084,902</b>

Included in interest expense and sharia expense are interest expense from related parties transactions related to interest expense of fund borrowing for the year ended December 31, 2020 and 2019 amounted to Rp20,314 and Rp51,349. (Note 57).

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**43. PROVISION AND COMMISSION INCOME**

	Years ended December 31,	
	2020	2019
E-Channel transaction	2,589,619	2,667,241
Loans	2,158,591	2,496,571
Deposits transaction	2,308,546	2,313,937
Credit card	1,693,250	2,191,943
Marketable securities	1,262,071	1,042,393
Trade transaction	1,187,915	1,224,901
Bancassurance	398,551	478,504
Remittances, clearing and collection	279,500	326,259
Custodian and Trustee	163,754	168,749
Others	901,886	1,305,937
	<b>12,943,683</b>	<b>14,216,435</b>

**44. INCOME FROM FAIR VALUE THROUGH PROFIT OR LOSS CLASSIFICATION - NET**

	Years ended December 31,	
	2020	2019
Interest income	603,997	323,608
Unrealised gain from increase in fair value - net	187,399	160,682
Gain from derivatives transactions - net	4,305,049	2,915,844
Gain from sales - net	434,464	471,486
<b>Total</b>	<b>5,530,909</b>	<b>3,871,620</b>

**45. OTHER OPERATING INCOME - OTHERS**

	Years ended December 31,	
	2020	2019
Recoveries from write-offs loans and sharia loan/financing	4,184,591	4,672,320
Income from mutual fund dividend	327,232	575,790
Income from penalty	325,868	337,755
Income from loan written off	131,482	200,744
Safety deposit box	39,614	41,667
Stamp duty income	26,237	34,613
Unrealised gain from equity participation	1,371,976	-
Others	2,804,290	2,539,454
<b>Total</b>	<b>9,211,290</b>	<b>8,402,343</b>

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**46. ALLOWANCE FOR IMPAIRMENT LOSSES**

	Years ended December 31,	
	2020	2019
(Allowance)/reversal for provision of impairment losses on:		
Current accounts with other banks (Note 5d)	(60,372)	(248)
Placements with other banks (Note 6e)	8,952	51
Marketable securities (Note 7g)	(71,884)	11,701
Other receivables - trade transactions (Note 9d)	(224,254)	262,928
Loans (Note 12B.j)	(20,204,192)	(11,468,133)
Consumer financing receivables (Note 13d)	(904,826)	(564,224)
Net investment finance leases (Note 14d)	(31,716)	(17,342)
Acceptance receivables (Note 15d)	143,471	65,114
Investments in shares (Note 16c)	(10,026)	(32,833)
<b>Total</b>	<b>(21,354,847)</b>	<b>(11,742,986)</b>

**47. (PROVISION FOR)/REVERSAL OF OTHER ALLOWANCES**

	Years ended December 31,	
	2020	2019
(Allowance)/reversal provision for:		
Estimated losses arising from legal cases	38,465	810
Losses from operational risk - internal fraud	(33,660)	(28,339)
Losses from operational risk - external fraud	(166,215)	(22,768)
Fines/penalty	(14,769)	(9,722)
Losses from operational risk - business activity disruption and system failure	(1,510)	(1,455)
Losses from operational risk - management execution, delivering and processing	(435)	(1,227)
Estimated losses arising from fraud cases	196	(17)
Losses from other operational	(60)	-
Other assets (Note 20)	(141,778)	(4,544)
<b>Total</b>	<b>(319,766)</b>	<b>(67,262)</b>

**48. UNREALISED GAINS FROM INCREASE IN FAIR VALUE OF POLICYHOLDERS INVESTMENT IN UNIT-LINK CONTRACTS**

	Years ended December 31,	
	2020	2019
Changes in fair value of policyholders' investment and increase/(decrease) in liability in unit-link contracts	12,487	8,205
Change in fair value of policyholders' investment	(479,249)	1,759
Increase in liability in unit-link contracts	479,249	(1,759)
<b>Total</b>	<b>12,487</b>	<b>8,205</b>

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**49. GAIN ON SALE OF MARKETABLE SECURITIES AND GOVERNMENT BONDS**

	Years ended December 31,	
	2020	2019
Marketable securities	289,486	352,269
Government bonds	709,540	501,581
<b>Total</b>	<b>999,026</b>	<b>853,850</b>

**50. SALARIES AND EMPLOYEE BENEFITS**

	Years ended December 31,	
	2020	2019
Salaries, wages, pension and tax allowances	10,935,493	10,401,672
Religious holidays allowance, leave and related entitlements	1,998,369	1,792,326
Employee benefits in kind	1,251,647	1,282,235
Training and education	305,827	708,207
Provision for post-employment benefit expenses	536,656	621,878
Provision of tantiem	283,270	307,435
Bonuses and others	2,459,171	2,107,293
<b>Total</b>	<b>17,770,433</b>	<b>17,221,046</b>

Total gross salaries and allowances, bonus and tantiem, long-term employment benefits of the Boards of Commissioners, Directors, Audit Committee and Risk Monitoring, Sharia Supervisory Board and Senior Executive Vice President and Senior Vice President (Bank and Subsidiaries) are amounted to Rp1,442,558 and Rp1,380,804 (Note 57) for the year ended December 31, 2020 and 2019, respectively, as follows:

	Years ended December 31, 2020			
	Salaries and allowance	Bonus and tantiem	Long-term employment benefits	Total
The Board of Commissioners	57,028	113,630	5,783	176,441
Directors	181,693	366,025	22,863	570,581
Audit Committee and Risk Monitoring Committee	6,453	-	33	6,486
Sharia Supervisory Board	2,374	304	-	2,678
Senior Executive Vice Presidents and Senior Vice President	422,444	235,797	28,131	686,372
<b>Total</b>	<b>669,992</b>	<b>715,756</b>	<b>56,810</b>	<b>1,442,558</b>

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**50. SALARIES AND EMPLOYEE BENEFITS (continued)**

	Years ended December 31, 2019			Total
	Salaries and allowance	Bonus and tantiem	Long-term employment benefits	
The Board of Commissioners	48,341	109,503	5,457	163,301
Directors	177,649	334,623	18,914	531,186
Audit Committee and Risk Monitoring Committee	6,555	206	34	6,795
Sharia Supervisory Board	2,073	602	300	2,975
Senior Executive Vice Presidents and Senior Vice President	410,517	242,509	23,521	676,547
<b>Total</b>	<b>645,135</b>	<b>687,443</b>	<b>48,226</b>	<b>1,380,804</b>

**51. GENERAL AND ADMINISTRATIVE EXPENSES**

	Years ended December 31,	
	2020	2019
Professional fees	4,173,171	4,220,894
Goods/services provided by third parties	2,333,880	2,111,231
Depreciation of fixed assets (Note 18)	1,515,975	1,464,796
Depreciation of leased assets (Note 18)	1,334,039	-
Repairs and maintenance	1,328,857	1,490,891
Promotion	1,302,175	1,135,295
Communication	1,288,944	1,277,576
Rent	882,886	2,217,764
Amortisation of intangible assets	844,176	594,624
Electricity, water and gas	539,364	562,274
Office supplies	447,020	624,990
Transportations	369,246	499,671
Insurance expenses	76,182	78,461
Traveling expenses	73,411	234,038
Others	813,390	1,122,548
<b>Net</b>	<b>17,322,716</b>	<b>17,635,053</b>

For the year ended December 31, 2020 and 2019, promotions expenses include the reward/prize expenses of third party funds amounted to Rp55,886 and Rp60,886, respectively.

**52. PENSION PLAN AND SEVERANCE PAY**

Under the Bank's policy, in addition to salaries, employees are entitled to allowances and benefits, such as religious holiday allowance, medical reimbursements, death allowance, leave allowance, functional allowance for certain levels, pension plan for permanent employees, incentives based on employee's and the Bank's performance and post-employment benefits in accordance with prevailing Labor Law.

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**52. PENSION PLAN AND SEVERANCE PAY (continued)**

**Pension Plan**

Bank Mandiri has five pension plans in the form of Employer Pension Plans (DPPK) as follows:

- a. One defined contribution pension fund, *Dana Pensiun Pemberi Kerja Program Pensiun Iuran Pasti* (DPPK-PPIP) or Bank Mandiri Pension Fund (*Dana Pensiun Bank Mandiri* (DPBM)) which was established on August 1, 1999 based on Board of Directors's resolution No. 004/KEP.DIR/1999 dated April 26, 1999 regarding Pension Plan of Bank Mandiri's pension fund. Regulation established by Bank Mandiri pension fund were approved by the Minister of Finance of the Republic of Indonesia through its Decision Letter No. KEP/300/KM.017/1999 dated July 14, 1999 and was published in Supplement of the State Gazette of the Republic of Indonesia No. 62 dated August 3, 1999.

The Pension Plan of Bank Mandiri's pension fund has been amended several times to comply with prevailing law, as follow:

1. Based on the resolution of Board of Directors of Bank Mandiri No. 068/KEP.DIR/2005 dated June 28, 2005, the Pension Plan of Bank Mandiri's Pension Fund was amended to increase the pension benefits for the members who already deceased, disable and changed in retirement age of the members. The amended pension plan has been approved by Ministry of Finance through its letter No. KEP-213/KM.5/2005 dated July 22, 2005 and published in supplement of the State Gazette of Republic Indonesia No. 77 dated September 27, 2005.
2. Based on the resolution of Board of Directors of Bank Mandiri No. KEP.DIR/415A/2016 dated December 7, 2016, the Pension Plan of Bank Mandiri's Pension Fund was amended to adjust the retirement age of the employees based on amendment of Collective Labor Agreement for period 2015 - 2017 and prevailing policy in PT Bank Mandiri (Persero) Tbk. The amended pension plan has been approved by Financial Services Authority (FSA) No. KEP-24/NB.1/2017 dated May 17, 2017 and published in Supplement of the State Gazzate of Republic of Indonesia No. 60 dated July 28, 2017.
3. Based on the Resolution Board of Directors No. KEP.DIR/005/2018 dated February 28, 2018, the Pension Plan of Bank Mandiri's Pension Fund was amended to comply with FSA Regulation No. 5/POJK.05/2017 regarding Contribution, Pension Benefits and Other Benefits provided by the Pension Fund. The amended Pension Plan has been approved by FSA through its Decision Letter No. KEP-125/NB.11/2018 dated March 12, 2018.
4. Based on the Resolution Board of Directors No. KEP.DIR/046/2020 dated May 11, 2020, the Pension Plan of Bank Mandiri's Pension Fund was amended to comply with Pension Fund Regulation and FSA Regulation, as follows:
  - a. POJK No. 5/POJK.05/2018 regarding Periodic Reports;
  - b. POJK Nomor 15/POJK.05/2019 regarding Pension Fund Governance;
  - c. POJK 14/POJK.05/2020 regarding Countercyclical Policy for Impact of Corona Virus Disease 2019 Spread for Non-Bank Financial Services Institutions;
  - d. POJK No. 24/POJK.05/2019 regarding Business Plan of Non-Bank Financial Service Institutions

The Pension Plan has been approved by FSA through its Decision Letter No. KEP-43/NB.1/2020 dated May 18, 2020.

The pension contribution is recorded for each members, which jointly borneby the employer and the members:

1. The member is obliged to contribute 5% (five per hundred) of basic pension income.
2. The employer is obliged to contribute 10% (ten per hundred) of basic pension income.

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**52. PENSION PLAN AND SEVERANCE PAY (continued)**

**Pension Plan (continued)**

The Bank Mandiri's pension funds invest their financial resources in time deposits and deposits on call at Bank Mandiri. Balance on time deposits and deposit on call as of December 31, 2020 and 2019 amounted to RpNil and Rp11,250, respectively. The interest rate of the deposits are the same with interest rate for third party time deposits.

For the year ended December 31, 2020 and 2019, Bank has paid pension contribution of RpNil and Rp456,717, respectively.

- b. Four employer's pension funds provide defined benefits program (DPPK-PPMP), which from the merger of four (4) legacy banks, namely:
1. Dana Pensiun Bank Mandiri One (Bank Bumi Daya),
  2. Dana Pensiun Bank Mandiri Two (Bank Dagang Negara),
  3. Dana Pensiun Bank Mandiri Three (Bank Exim) and
  4. Dana Pensiun Bank Mandiri Four (Bank Pembangunan Indonesia),

The members of the pension funds are employees from legacy bank with working period of three years or more at the merger date which were active employees, ex employees (resigned but did not transfer his/her right to other pension fund) and retired members.

The pension plans for each pension funds have been approved by Minister of Finance of the Republic of Indonesia through letter No. KEP-394/KM.017/1999, No. KEP-395/KM.017/1999, No. KEP-396/KM.017/1999 and No. KEP-397/KM.017/1999 all dated November 15, 1999. Based on shareholder's approval No. S-923/M-MBU/2003 dated March 6, 2003, Bank Mandiri has adjusted the pension benefits of each of the Pension Fund One to Pension Fund Four. The plan decision has been stated in the Pension Fund Plan (PDP) and have been approved by the Minister of Finance through letter No. KEP/115/KM.6/2003 for PDP Pension Fund Bank Mandiri One, No. KEP/116/KM.6/2003 for Bank Mandiri Pension Fund Two, No. KEP/117/KM.6/2003 for Bank Mandiri Pension Fund Three and No. KEP/118/KM.6/2003 for Bank Mandiri Pension Fund Four, all dated March 31, 2003.

The pension plan of Pension Fund Bank Mandiri One, Pension Fund Bank Mandiri Two, Pension Fund Bank Mandiri Three and Pension Fund Bank Mandiri Four have been amended several times to follow the prevailing law, which were:

1. Based on resolution of General Meeting of Shareholders (GMS) on May 28, 2007, Bank Mandiri increase the pension benefits of each Pension Funds. The increase in pension benefits were included in each pension benefits plan of the Pension Funds and have been approved by Ministry of Finance through letter No. KEP-144/KM.10/2007 (Pension Fund One); No. KEP-145/KM.10/2007 (Pension Fund Two); No. KEP-146/KM.10/2007 (Pension Fund Three) and No. KEP-147/KM.10/2007 (Pension Fund Four), all dated July 20, 2007.
2. Based on resolution of General Meeting of Shareholders (GMS) on May 17, 2010, Bank Mandiri increase the pension benefits of each Pension Funds. The increase in pension benefits were included in each pension benefits plan of the Pension Funds and have been approved by Ministry of Finance through letter No. KEP-441/KM.10/2010 (Pension Fund One); No. KEP-442/KM.10/2010 (Pension Fund Two); No. KEP-443/KM.10/2010 (Pension Fund Three) and No. KEP-444/KM.10/2010 (Pension Fund Four), all dated August 10, 2010.
3. Based on resolution of General Meeting of Shareholders (GMS) on May 23, 2011, Bank Mandiri increase the pension benefits of each Pension Funds. The increase in pension benefits were included in each pension benefits plan of the Pension Funds and have been approved by Ministry of Finance through letter No. KEP-588/KM.10/2011 (Pension Fund One); No. KEP-589/KM.10/2011 (Pension Fund Two); No. KEP-590/KM.10/2011 (Pension Fund Three) and No. KEP-591/KM.10/2011 (Pension Fund Four), all dated July 20, 2011.

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**52. PENSION PLAN AND SEVERANCE PAY (continued)**

**Pension Plan (continued)**

The pension plan of Pension Fund Bank Mandiri One, Pension Fund Bank Mandiri Two, Pension Fund Bank Mandiri Three and Pension Fund Bank Mandiri Four have been amended several times to follow the prevailing law, which were (continued):

4. Based on resolution of General Meeting of Shareholders (GMS) on April 2, 2013, Bank Mandiri increase the pension benefits of each Pension Funds. The increase in pension benefits were included in each pension benefits plan of the Pension Funds and have been approved by Board of Commissioners of Financial Services Authority ("FSA") through letter No. KEP-349/NB.1/2013 (Pension Fund One); No. KEP-350/NB.1/2013 (Pension Fund Two); No. KEP-351/NB.1/2013 (Pension Fund Three) and No. KEP-352/NB.1/2013 (Pension Fund Four), all dated June 14, 2013.

The GMS also approved additional other benefit and delegate an authority to Board of Commissioners to decide the increase of pension benefit and other benefits as long as it was in line with prevailing regulation which were after the increase of benefits or other benefit, the Adequacy of Funds Ratio (RKD) of Pension Funds One to Four were minimum at 115%.

5. Based on resolution of Board of Commissioners (BoC) of Bank Mandiri's meeting on July 2, 2014, Bank Mandiri provided other benefit for all pension fund and have been approved by Board of Commissioners of Financial Services Authority ("FSA") through letter No. KEP-1773/NB.1/2014 (Pension Fund One), No. KEP-1774/NB.1/2014 (Pension Fund Two), No. KEP-1775/NB.1/2014 (Pension Fund Three) and No. KEP-1776/NB.1/2014 (Pension Fund Four), all dated July 17, 2014.
6. Based on resolution of Board of Commissioners (BOC) of Bank Mandiri's meeting on June 3, 2015, Bank Mandiri provided other benefit for all pension fund and have been approved by Board of Commissioners of Financial Services Authority ("FSA") through letter No. KEP-525/NB.1/2015 (Pension Fund One), No. KEP-526/NB.1/2015 (Pension Fund Two), No. KEP-527/NB.1/2015 (Pension Fund Three) and No. KEP-528/NB.1/2015 (Pension Fund Four), all dated June 29, 2015.
7. Based on resolution of General Meeting of Shareholders (GMS) dated March 21, 2016, it was approved to change the minimum Ratio of Adequacy of Funds (RKD) for all Pension Fund One to Pension Fund Four, from initial of 115% to become 105%, and delegation authority to Board of Commissioners (BoC) to take decision on increase of pension benefits or other benefits as long as in accordance with prevailing regulation therefore after increase of pension benefits of other benefits, it should comply with minimum requirements:
  - a. The ratio of Adequacy of Funds (RKD) after increase in pension benefit and or other benefits minimum at 105% based on mortality table set by the Founder.
  - b. Still in surplus and would not trigger obligation for additional contribution or accounting obligation under SFAS 24.
8. Based on resolution of Board of Commissioners (BOC) of Bank Mandiri's meeting on June 22, 2016, Bank Mandiri provided increase in Pension Fund Three and provided other benefits to all pension funds and have been approved by Board of Commissioners of Financial Services Authority ("FSA") through letter No. KEP-40/NB.1/2016 (Pension Fund One), No. KEP-41/NB.1/2016 (Pension Fund Two), No. KEP-42/NB.1/2016 (Pension Fund Three) and No. KEP-43/NB.1/2016 (Pension Fund Four), all dated June 29, 2016.



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**52. PENSION PLAN AND SEVERANCE PAY (continued)**

**Pension Plan (continued)**

9. Based on resolution of Board of Directors No. KEP.DIR/415B/2016 (Pension Fund One), No. KEP.DIR/415C/2016 (Pension Fund Two), No. KEP.DIR/415D/2016 (Pension Fund Three) and No. KEP.DIR/415E/2016 (Pension Fund Four), all dated December 7, 2016 there were additional of clauses to the Pension Fund Plan of Pension Fund One to Pension Fund Four, as approved by Annual General Shareholders Meeting of Founder on April 2, 2013 and on March 21, 2016 regarding change of RKD to become 105%. The Pension Fund Plans have been approved by Board of Commissioners of FSA through letters No. KEP-81/NB.1/2016 (Pension Fund One), No. KEP-80/NB.1/2016 (Pension Fund Two), No. KEP-79/NB.1/2016 (Pension Fund Three) and No. KEP-78/NB.1/2016 (Pension Fund Four), all dated December 23, 2016.
10. Based on resolution of Board of Commissioners (BoC) of Bank Mandiri's meeting on May 3, 2017, Bank Mandiri increase the Pension Benefit and provided other benefit in form of additional benefits to all pension fund and have been approved by Board of Commissioners of Financial Services Authority ("FSA") through letter No. KEP-30/NB.1/2017 (Pension Fund One), No. KEP-31/NB.1/2017 (Pension Fund Two), No. KEP-32/NB.1/2017 (Pension Fund Three) and No. KEP-33/NB.1/2017 (Pension Fund Four), all dated June 9, 2017.

With respect to the adjustment to the Pension Fund's Plan in form of increasement of Pension Benefit and Provision of other benefit to each Pension Fund, this also to align the Pension Fund's Plan with FSA regulation No. 5/POJK.05/2017 dated March 1, 2017, regarding Contribution, Pension Benefits and Other Benefits provided by the Pension Funds.

11. Based on resolution of Board of Commissioner (BoC) of Bank Mandiri's meeting on March 28, 2018, BoC approved provision of other benefit in form of additional benefit to all Pension Funds. This decision to provide other benefit in form of additional benefit were included in each Pension Funds Plan and have been approved by FSA through letter No. KEP-22/NB.1/2018 (Pension Fund One), No. KEP-23/NB.1/2018 (Pension Fund Two), No. KEP-24/NB.1/2018 (Pension Fund Three), No. KEP-25/NB.1/2018 (Pension Fund One), all dated April 16, 2018.
12. Based on resolution of Board of Commissioner (BoC) of Bank Mandiri's meeting on March 20, 2019, BoC approved provision of other benefit in form of additional benefit to all Pension Funds. This decision to provide other benefit in form of additional benefit were included in each Pension Funds Plan and have been approved by FSA through letter No. KEP-10/NB.1/2019 (Pension Fund One), No. KEP-11/NB.1/2019 (Pension Fund Two), No. KEP-12/NB.1/2019 (Pension Fund Three), No. KEP-13/NB.1/2019 (Pension Fund Four), all dated April 16, 2019.
13. Based on resolution of Board of Commissioners (BOC) of Bank Mandiri's meeting on March 12, 2020, Bank Mandiri approved provided increase in Pension Fund One and provided other benefits to all pension funds and have been approved by Board of Commissioners of Financial Services Authority ("FSA") through letter No. KEP-21/NB.1/2020 (Pension Fund One), No. KEP-22/NB.1/2020 (Pension Fund Two), No. KEP-23 /NB.1/2020 (Pension Fund Three) and No. KEP-24/NB.1/2020 (Pension Fund Four), all dated April 2, 2020.

The actuarial calculation on pension benefits liability for Bank only as of December 31, 2020 and 2019 were based on estimated actuarial calculation for the year ended December 31, 2020 and 2019 as stated in report of Kantor Konsultan Aktuaria Enny Diah Awal dated January 8, 2021 and PT Bestama Aktuaria dated January 2, 2020 with method of "Projected Unit Credit".

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**52. PENSION PLAN AND SEVERANCE PAY (continued)**

**Pension Plan (continued)**

The assumptions used for the year ended December 31, 2020 and 2019 are as follows:

	<u>DPBMS</u>	<u>DPBMD</u>	<u>DPBMT</u>	<u>DPBME</u>
Discount rate	6.90% per annum (2019: 7.50% per annum)	6.90% per annum (2019: 7.50% per annum)	6.90% per annum (2019: 7.50% per annum)	6.90% per annum (2019: 7.50% per annum)
Expected rate of return on pension plan assets	9.50% per annum	9.50% per annum	9.50% per annum	9.50% per annum
Working period used	As of July 31, 1999	As of July 31, 1999	As of July 31, 1999	As of July 31, 1999
Pensionable salary (PhDP) used	Last month salary of July 31, 1999, which adjusted on December 31, 2002	Last month salary of July 31, 1999, which adjusted on December 31, 2002	Last month salary of July 31, 1999, which adjusted on December 31, 2002	Last month salary of July 31, 1999, which adjusted on December 31, 2002
Expected rates of PhDP increase	Nil	Nil	Nil	Nil
Mortality Rate Table	80% UN 2010 Male	80% UN 2010 Male	80% UN 2010 Male	80% UN 2010 Male
Turnover rate	Age 23 - 29 = 10.00% Age 30 - Normal Retirement Age = 3.50% decreasing linearly up to 0.00%	Age 23 - 29 = 10.00% Age 30 - Normal Retirement Age = 3.50% decreasing linearly up to 0.00%	Age 23 - 29 = 10.00% Age 30 - Normal Retirement Age = 3.50% decreasing linearly up to 0.00%	Age 23 - 29 = 10.00% Age 30 - Normal Retirement Age = 3.50% decreasing linearly up to 0.00%
Disability rate	10.00% of mortality rate	10.00% of mortality rate	10.00% of mortality rate	10.00% of mortality rate
Actuarial method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Normal retirement age	48 years to 56 years depending on the grades	56 years for all grades	56 years for all grades	56 years for all grades
Expected rate of pension benefit increase	Nil	Nil	Nil	2.00% per year
Tax rates - average	3.00% of benefit	3.00% of benefit	3.00% of benefit	3.00% of benefit

The projected benefit obligations and fair value of plan assets as of December 31, 2020, based on independent actuarial report, are as follows:

	<u>DPBMS</u>	<u>DPBMD</u>	<u>DPBMT</u>	<u>DPBME</u>
Projected benefit obligations	(1,383,842)	(1,623,228)	(695,560)	(500,659)
Fair value of plan assets	1,550,395	1,656,802	690,411	649,195
Funded Status	166,553	33,574	(5,149)	148,536
Asset ceiling <sup>1)</sup>	(166,553)	(33,574)	5,149	(148,536)
<b>Pension Plan Program Assets recognised in consolidated statement of financial position <sup>2)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>1)</sup> There are no unrecognised accumulated actuarial loss-net nor unrecognised past service cost and there are no present value of available future refunds or reductions of future contributions.

<sup>2)</sup> There are no plan assets recognised in the consolidated statement of financial position because the requirements under SFAS No. 24 regarding "Employee Benefits" are not fulfilled.

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**52. PENSION PLAN AND SEVERANCE PAY (continued)**

**Pension Plan (continued)**

The projected benefit obligations and fair value of plan assets as of December 31, 2019, based on independent actuarial report, are as follows:

	DPBMS	DPBMD	DPBMT	DPBME
Projected benefit obligations	(1,369,078)	(1,618,288)	(695,760)	(475,040)
Fair value of plan assets	1,606,734	1,675,488	751,528	533,980
Funded Status	237,656	57,200	55,768	58,940
Asset ceiling <sup>*)</sup>	(237,656)	(57,200)	(55,768)	(58,940)
<b>Pension Plan Program Assets recognised in consolidated statement of financial position <sup>*)</sup></b>	-	-	-	-

<sup>\*)</sup> There are no unrecognised accumulated actuarial loss-net nor unrecognised past service cost and there are no present value of available future refunds or reductions of future contributions.

<sup>\*\*)</sup> There are no plan assets recognised in the consolidated statement of financial position because the requirements under SFAS No. 24 regarding "Employee Benefits" are not fulfilled.

The composition of plan assets from Pension Fund for the year ended December 31, 2020 and 2019 are as follows:

December 31, 2020 (unaudited)				
	DPBMS	DPBMD	DPBMT	DPBME
Deposit	9%	9%	4%	9%
Bonds	35%	42%	21%	30%
Direct placement	7%	18%	27%	38%
Land and building	21%	3%	28%	5%
Shares	7%	3%	0%	1%
Treasury Bills	20%	22%	16%	15%
Others	1%	3%	4%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

December 31, 2019 (unaudited)				
	DPBMS	DPBMD	DPBMT	DPBME
Deposit	6%	8%	3%	12%
Bonds	39%	44%	22%	41%
Direct placement	7%	18%	28%	18%
Land and building	23%	3%	26%	5%
Shares	5%	3%	1%	1%
Treasury Bills	19%	20%	16%	10%
Others	1%	4%	4%	13%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**Labor Law No. 13/2003**

Bank Mandiri has implemented an accounting policy for employment benefits SFAS 24 to recognise provision for employee service entitlements. As of December 31, 2020 and 2019, Bank Mandiri recognised a provision for employee services entitlements in accordance with Labor Law No. 13/2003 amounted to Rp3,633,979 and Rp3,689,782 (including compensation benefits of Rp8,240 for resigned employees which have not yet been paid and excluded from actuarial calculation) based on the estimated post employment benefit in the independent actuarial reports (Note 34).

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**52. PENSION PLAN AND SEVERANCE PAY (continued)**

**Pension plan (continued)**

**Labor Law No. 13/2003 (continued)**

Provision for employee service entitlements as of December 31, 2020 and 2019 are estimated using the employees service entitlements calculation for the year ended December 31, 2020 and 2019 as included in the independent actuarial report of Kantor Konsultan Aktuaria dated January 8, 2021 and PT Bestama Aktuaria dated January 2, 2020, respectively. The assumptions used by the actuary for the year ended December 31, 2020 and 2019 are as follows:

- a. Discount rate is 7.6% per annum (2019: 8.1%)
- b. Expected rate of annual salary increase is 6.0% - 8.0% per annum (2019: 9.5%)
- c. Mortality rate table used is Indonesia Mortality 2019.
- d. Turnover rate : Age 23 - 29 = 10.00% Age 30 - Normal Retirement Age = 3.50% decreasing linearly up to 0.00%
- e. Actuarial method is projected unit credit method.
- f. Normal retirement age between 36 to 56 years according to the grades.
- g. Disability rate is 10% of death probability at each age.

The amounts recognised in the statement of financial position are determined based on independent actuarial report as follows (Bank Mandiri only):

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Provision for post employment benefits presented in statement of financial position	2,811,930	2,984,609
	2,811,930	2,984,609

The movement in present value of obligation over the year is as follows (Bank Mandiri only):

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Beginning balance of present value of obligation	2,984,609	2,988,260
Current service cost	266,135	314,392
Severance pay	11,339	-
Interest cost	234,521	244,908
Benefit paid	(178,583)	(168,213)
Actuarial (gain)/losses	(506,091)	(394,738)
<b>Ending balance of present value of Obligation</b>	<b>2,811,930</b>	<b>2,984,609</b>

The amounts recognised in the statement of profit or loss and other comprehensive income based on independent actuarial report are as follows (Bank Mandiri only):

	<b>Years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Current service cost	277,474	314,392
Interest cost	234,521	244,908
<b>Cost of pension benefits</b>	<b>511,995</b>	<b>559,300</b>

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**52. PENSION PLAN AND SEVERANCE PAY (continued)**

**Labor Law No. 13/2003 (continued)**

Reconciliations of provision for post employment benefits are as follows:

	Years ended December 31,	
	2020	2019
<b>Bank Mandiri</b>		
Beginning balance of provision for post employment benefits	2,984,609	2,988,260
Expenses during the year	511,995	559,300
Payments of benefits	(178,583)	(168,213)
Recognition of actuarial (gains)/losses in other comprehensive income	(506,091)	(394,738)
<b>Provision for post employment benefits (Bank Mandiri only)</b>	<b>2,811,930</b>	<b>2,984,609</b>
<b>Subsidiaries</b>		
<b>Provision for post employment benefits</b>	<b>813,809</b>	<b>696,933</b>
<b>Total provision for post employment benefits (Note 34)</b>	<b>3,625,739<sup>1)</sup></b>	<b>3,681,542<sup>1)</sup></b>

<sup>1)</sup> As of December 31, 2020 and 2019, the amount does not include unpaid severance for resigned employees amounted to Rp8,240, which was excluded from actuarial computation.

The present value of funded benefit obligations, fair value of plan assets and the surplus on the program for the last five years, which are (Bank Mandiri only):

	December 31				
	2020	2019	2018	2017	2016
Present value of defined benefit obligations	2,811,930	2,984,609	2,988,260	3,512,601	2,434,892
Fair value of plan assets	-	-	-	-	-
Deficit in the plan	2,811,930	2,984,609	2,988,260	3,512,601	2,434,892
Experience adjustments on plan liabilities	228,319	330,750	389,056	(89,944)	152,490
Experience adjustments on asset program	-	-	-	-	-

**Pension Appreciation**

Bank Mandiri provides pension appreciation programs to employees who enter normal retirement age (age 56). This program is valid for employees who have entered their ten years of working service. The present value for provision of pension appreciation program as of December 31, 2020 and 2019 based on an actuarial calculation amounted Rp67,691 and Rp59,187 (Notes 34).

The assumptions used for the period ending December 31, 2020 are as follows:

- a. Discount rate : 7.50% (2019: 7.60%)
- b. Gold price : Rp975,000 (full amount)
- c. Increment rate of gold price : 8.00%
- d. Mortality rate table used is Indonesia Mortality 2019.
- h. Disability rate is 10% of death probability at each age.
- i. Turnover rate : Age 23 - 29 = 10.00% Age 30 - Normal Retirement Age = 3.50% decreasing linearly up to 0.00%
- g. Normal retirement age between 36 to 56 years according to the grades.
- h. Actuarial method used is projected unit credit method

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**52. PENSION PLAN AND SEVERANCE PAY (continued)**

**Pension Appreciation (continued)**

The movement in present value of obligation over the year is as follows (Bank Mandiri only):

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Beginning balance of present value of obligation	59,187	-
Expenses during the year	(1,887)	71,747
Payments of benefits	(5,204)	(4,620)
Actuarial (gain)/loss through other comprehensive income	15,595	(7,940)
<b>Ending balance of present value of obligation (Note 34)</b>	<b>67,691</b>	<b>59,187</b>

The amounts recognised in the statement of profit or loss and other comprehensive income based on independent actuarial report are as follows (Bank Mandiri only):

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current service cost	7,290	9,521
Interest cost	4,300	8,055
Past service cost	(13,477)	54,171
<b>Cost of pension appreciation</b>	<b>(1,887)</b>	<b>71,747</b>

Reconciliation of PVDBO:

	<u>December 31, 2020</u>					
	<u>DPBMS</u>	<u>DPBMD</u>	<u>DPBMT</u>	<u>DPBME</u>	<u>UUK No. 13/2003</u>	<u>Pension Appreciation</u>
Beginning balances of PVDBO	1,369,078	1,618,288	695,760	475,040	2,984,609	59,187
Current service cost	-	-	-	-	266,135	7,290
Interest cost of PVDBO	95,634	64,405	49,360	33,440	234,521	4,300
Past service cost	-	-	-	-	-	(13,477)
Severance pay	-	-	-	-	11,339	-
Benefit payments from plan assets	(187,934)	(183,280)	(75,254)	(58,336)	(178,583)	(5,204)
Actuarial (gain)/losses from PVDBO:						
Losses on change of assumption in economic	52,204	65,275	30,642	23,015	(277,772)	974
(Gain)/losses on experience adjustment	54,860	58,540	(4,947)	27,500	(228,319)	14,621
<b>Ending balances of PVDBO</b>	<b>1,383,842</b>	<b>1,623,228</b>	<b>695,561</b>	<b>500,659</b>	<b>2,811,930</b>	<b>67,691</b>

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**52. PENSION PLAN AND SEVERANCE PAY (continued)**

**Pension Appreciation (continued)**

Reconciliation of PVDBO (continued):

	December 31, 2019					
	DPBMS	DPBMD	DPBMT	DPBME	UUK No. 13/2003	Pension Appreciation
Beginning balances of PVDBO	1,436,183	1,672,113	726,850	495,946	2,988,260	-
Current service cost	-	-	-	-	314,392	9,521
Interest cost of PVDBO	112,214	130,822	56,926	38,936	244,908	8,055
Past service cost	-	-	-	-	-	54,171
Benefit payments from plan assets	(168,406)	(191,885)	(81,982)	(53,678)	(168,213)	(4,620)
Actuarial (gain)/losses from PVDBO:						
Losses on change of assumption in economic	43,858	80,870	35,336	18,942	(63,987)	(3,785)
(Gain)/losses on experience adjustment	(54,771)	(73,632)	(41,370)	(25,106)	(330,751)	(4,155)
<b>Ending balances of PVDBO</b>	<b>1,369,078</b>	<b>1,618,288</b>	<b>695,760</b>	<b>475,040</b>	<b>2,984,609</b>	<b>59,187</b>

Reconciliation of plan assets:

	December 31, 2020			
	DPBMS	DPBMD	DPBMT	DPBME
Beginning fair value of plan assets	1,606,734	1,675,488	751,528	533,980
Benefit payments from plan assets	(187,934)	(183,280)	(75,255)	(58,336)
Interest Income in plan assets	113,458	66,819	53,543	37,861
Result of plan assets (exclude interest income)	18,137	97,775	(39,405)	135,690
<b>Ending fair value plan assets</b>	<b>1,550,395</b>	<b>1,656,802</b>	<b>690,411</b>	<b>649,195</b>

	December 31, 2019			
	DPBMS	DPBMD	DPBMT	DPBME
Beginning fair value of plan assets	1,570,732	1,691,473	734,258	540,969
Benefit payments from plan assets	(168,406)	(191,885)	(81,981)	(53,678)
Interest Income in plan assets	123,382	132,429	57,541	42,673
Result of plan assets (exclude interest income)	81,026	43,471	41,710	4,016
<b>Ending fair value plan assets</b>	<b>1,606,734</b>	<b>1,675,488</b>	<b>751,528</b>	<b>533,980</b>

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**52. PENSION PLAN AND SEVERANCE PAY (continued)**

Movements in other comprehensive income:

Movements in other comprehensive income for the Bank only for the year ended December 31, 2020 and 2019 as follows:

December 31, 2020						
	DPBMS	DPBMD	DPBMT	DPBME	UUK No. 13/2003	Pension Appreciation
Accumulated of actuarial gains/(losses) on beginning year	-	-	-	-	768,391	7,940
Actuarial losses of the current year	-	-	-	-	506,091	(15,595)
<b>Accumulated of actuarial gains on ending year</b>	-	-	-	-	<b>1,274,482</b>	<b>(7,655)</b>

December 31, 2019						
	DPBMS	DPBMD	DPBMT	DPBME	UUK No. 13/2003	Pension Appreciation
Accumulated of actuarial gains/(losses) on beginning year	-	-	-	-	373,653	-
Actuarial losses of the current year	-	-	-	-	394,738	7,940
<b>Accumulated of actuarial gains on ending year</b>	-	-	-	-	<b>768,391</b>	<b>7,940</b>

Employee benefits liabilities maturing on December 31, 2020 and 2019 related to UUK No. 13/2003 are as follows:

	2020	2019
Year 1	300,504	225,908
Year 2	300,549	256,052
Year 3	339,230	261,381
Year 4	395,125	335,819
Year 5	446,321	427,208
Year 6 and others	7,908,747	15,469,465
<b>Total</b>	<b>9,690,476</b>	<b>16,975,833</b>

The average duration of the defined benefit obligation is 10.90 years and 11.15 years and the defined contribution obligation is 16.50 years and 17.49 years as of December 31, 2020 and 2019, respectively,

Provision for actuarial calculation on employee pension benefits for Subsidiaries as of December 31, 2020 and 2019 were based on estimated actuarial calculation for the year ended December 31, 2020 and 2019, respectively.



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**52. PENSION PLAN AND SEVERANCE PAY (continued)**

Provision for employee service entitlements of Subsidiaries as of December 31, 2020 and 2019 were calculated by an independent actuary as included in the independent actuarial report as follows:

Subsidiaries	Independent Actuary	2020	2019
PT Bank Syariah Mandiri	PT Dayamandiri Dharmakonsilindo	November, 30 2020	November 29, 2019
PT Mandiri Sekuritas	PT Dayamandiri Dharmakonsilindo	January 4, 2021	January 2, 2020
PT Bank Mandiri Taspen	PT Jasa Aktuaris Praptasentosa Guna Jasa	January 8, 2021	January 15, 2020
PT Mandiri Tunas Finance	PT Dayamandiri Dharmakonsilindo	January 2, 2021	January 3, 2020
PT AXA Mandiri Financial Services	PT Dayamandiri Dharmakonsilindo	January 10, 2021	January 8, 2020
PT Asuransi Jiwa Inhealth Indonesia	PT Sigma Prima Solusindo	January 4, 2021	January 3, 2020
PT Mandiri Utama Finance	PT Kompujasa Aktuaria Indonesia	December 31, 2020	December 31, 2019

The sensitivity of the defined benefit obligation to changes in actuarial assumptions are as follows (Bank Mandiri only) (unaudited):

	Years ended December 31,	
	2020	2019
Changes of assumptions:		
1% increase in discount rate	(2,489,120)	(2,532,019)
1% decrease in discount rate	3,286,384	3,589,252

**53. OTHER OPERATING EXPENSES - OTHERS - NET**

	Years ended December 31,	
	2020	2019
Insurance premiums on third party funds guarantee program	2,009,385	1,703,810
Fees and commissions expenses	654,062	655,171
Fees related to credit card and ATM transaction	491,326	636,865
Insurance sales force compensation	277,046	279,832
Bancassurance fee	359,889	331,043
Fees from RTGS, remittance and clearing transactions	57,898	83,305
Group insurance commissions	145,988	143,500
Others	1,558,048	1,386,542
	<b>5,553,642</b>	<b>5,220,068</b>

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**54. NON-OPERATING (EXPENSE)/INCOME - NET**

	Years ended December 31,	
	2020	2019
Gain on sale of fixed assets	9,507	12,529
Others - net	112,231	(22,603)
<b>Net</b>	<b>121,738</b>	<b>(10,074)</b>

**55. COMMITMENTS AND CONTINGENCIES**

The following accounts represent accounts which are recorded as off-balance sheet:

	December 31, 2020	December 31, 2019
<b>COMMITMENTS</b>		
Commitment payables:		
Unused loan facilities <sup>*)</sup>		
Related parties (Note 57)	(60,726,765)	(67,895,741)
Third parties	(108,855,685)	(116,865,692)
	(169,582,450)	(184,761,433)
Outstanding irrevocable letters of credit (Note 31):		
Related parties (Note 57)	(7,224,901)	(7,689,574)
Third parties	(8,220,470)	(9,875,779)
	(15,445,371)	(17,565,353)
<b>Commitment payables - net</b>	<b>(185,027,821)</b>	<b>(202,326,786)</b>
<b>CONTINGENCIES</b>		
Contingent receivables:		
Guarantees received from other banks	30,126,690	21,693,786
Interest receivable on non-performing assets	12,156,293	7,897,176
Others	32,729	32,729
	42,315,712	29,623,691
Contingent payables:		
Guarantees issued in the form of:		
Bank guarantees (Note 31):		
Related parties (Note 57)	(19,745,670)	(18,426,336)
Third parties	(78,522,673)	(78,037,060)
	(98,268,343)	(96,463,396)
Standby letters of credit (Note 31)		
Related parties (Note 57)	(6,208,229)	(9,253,918)
Third parties	(4,266,088)	(4,544,170)
	(10,474,317)	(13,798,088)
Others	(1,484,051)	(1,206,502)
<b>Total</b>	<b>(110,226,711)</b>	<b>(111,467,986)</b>
<b>Contingent payables - net</b>	<b>(67,910,999)</b>	<b>(81,844,295)</b>
	<b>(252,938,820)</b>	<b>(284,171,081)</b>

<sup>\*)</sup> Include committed and uncommitted credit card facilities

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**56. FOREIGN CURRENCY TRANSACTIONS**

The fair value of forward and cross currency swap transactions are presented as derivative receivables/payables in the consolidated statement of financial position (Note 11),

Details of outstanding buy and sell foreign currency spot transactions (Bank Mandiri only) as of December 31, 2020 and 2019 are as follows:

December 31, 2020				
Original Currency	Spot - Buy		Spot - Sell	
	Original currency (full amount)	Rupiah equivalent	Original currency (full amount)	Rupiah equivalent
United States Dollar	7,000,000	98,350	89,186,232	1,253,067
Others <sup>*)</sup>		-		838,735
		<b>98,350</b>		<b>2,091,802</b>
December 31, 2019				
Original Currency	Spot - Buy		Spot - Sell	
	Original currency (full amount)	Rupiah equivalent	Original currency (full amount)	Rupiah equivalent
United States Dollar	235,020,000	3,262,665	288,858,500	4,010,078
Others <sup>*)</sup>		240,114		331,053
		<b>3,502,779</b>		<b>4,341,131</b>

<sup>\*)</sup> Consist of various currencies,

**57. RELATED PARTY TRANSACTIONS**

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties:

· **Related party relationship as the controlling shareholder:**

The Government of the Republic of Indonesia through Ministry of Finance.

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**57. RELATED PARTY TRANSACTIONS (continued)**

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship by ownership and/or management:**

No.	Related parties	Nature of relationship
1.	PT Kustodian Sentral Efek Indonesia	Associate Company
2.	PT Mandiri AXA General Insurance	Associate Company
3.	Dana Pensiun Bank Mandiri	Bank Mandiri as a founder
4.	Dana Pensiun Bank Mandiri 1	Bank Mandiri as a founder
5.	Dana Pensiun Bank Mandiri 2	Bank Mandiri as a founder
6.	Dana Pensiun Bank Mandiri 3	Bank Mandiri as a founder
7.	Dana Pensiun Bank Mandiri 4	Bank Mandiri as a founder
8.	PT Bumi Daya Plaza	Controlled by Dana Pensiun Bank Mandiri (since December 19, 2013)
9.	PT Pengelola Investama Mandiri	Controlled by Dana Pensiun Bank Mandiri (since December 19, 2013)
10.	PT Usaha Gedung Mandiri	Controlled by Dana Pensiun Bank Mandiri (since December 19, 2013)
11.	PT Estika Daya Mandiri	Controlled by Dana Pensiun Bank Mandiri 1
12.	PT Asuransi Staco Mandiri (formerly PT Asuransi Staco Jasapratama)	Controlled by Dana Pensiun Bank Mandiri 2
13.	PT Mulia Sasmita Bhakti	Controlled by Dana Pensiun Bank Mandiri 3
14.	PT Krida Upaya Tunggal	Controlled by Dana Pensiun Bank Mandiri 4
15.	PT Wahana Optima Permai	Controlled by Dana Pensiun Bank Mandiri 4
16.	Koperasi Kesehatan Pegawai dan Pensiunan Bank Mandiri (Mandiri Healthcare)	Significantly influenced by Bank Mandiri

The nature of transactions with related parties include investments in shares, debt securities issued, subordinated loans and marketable securities, loans, customer deposits and bank guarantees.

• **Related parties relationship with government related entities**

No.	Related parties	Nature of relationship
1.	PT Abipraya Nusantara Energi	Subsidiary of State Owned Enterprise
2.	PT Abuki Jaya Stainless	Subsidiary of State Owned Enterprise
3.	PT Adhi Commuter Properti	Subsidiary of State Owned Enterprise
4.	PT Adhi Persada Beton	Subsidiary of State Owned Enterprise
5.	PT Adhi Persada Gedung	Subsidiary of State Owned Enterprise
6.	PT Adhi Persada Properti	Subsidiary of State Owned Enterprise
7.	PT Administrasi Medika	Subsidiary of State Owned Enterprise
8.	PT Aero Globe Indonesia	Subsidiary of State Owned Enterprise
9.	PT Aero Systems Indonesia	Subsidiary of State Owned Enterprise
10.	PT Aero Wisata	Subsidiary of State Owned Enterprise
11.	PT Aerofood Indonesia	Subsidiary of State Owned Enterprise
12.	PT Aerojasa Cargo	Subsidiary of State Owned Enterprise
13.	PT Aerojasa Perkasa	Subsidiary of State Owned Enterprise

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**57. RELATED PARTY TRANSACTIONS (continued)**

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following parties (continued):

· **Related parties relationship with government related entities (continued):**

No.	Related parties	Nature of relationship
14.	PT Aerotrans Service Indonesia	Subsidiary of State Owned Enterprise
15.	PT Agro Sinergi Nusantara	Subsidiary of State Owned Enterprise
16.	PT Akses Pelabuhan Indonesia	Subsidiary of State Owned Enterprise
17.	PT Alam Lestari Nusantara	Subsidiary of State Owned Enterprise
18.	PT Alur Pelayaran Barat Surabaya	Subsidiary of State Owned Enterprise
19.	PT Aneka Jasa Grhadika	Subsidiary of State Owned Enterprise
20.	PT Aneka Tambang	Subsidiary of State Owned Enterprise
21.	PT Angkasa Pura Aviasi	Subsidiary of State Owned Enterprise
22.	PT Angkasa Pura Hotel	Subsidiary of State Owned Enterprise
23.	PT Angkasa Pura Kargo	Subsidiary of State Owned Enterprise
24.	PT Angkasa Pura Logistik	Subsidiary of State Owned Enterprise
25.	PT Angkasa Pura Propertindo	Subsidiary of State Owned Enterprise
26.	PT Angkasa Pura Property	Subsidiary of State Owned Enterprise
27.	PT Angkasa Pura Retail	Subsidiary of State Owned Enterprise
28.	PT Angkasa Pura Solusi	Subsidiary of State Owned Enterprise
29.	PT Angkasa Pura Supports	Subsidiary of State Owned Enterprise
30.	PT Anpa International Ltd (Qq PT Akuel Asia Pulse Pte Ltd)	Subsidiary of State Owned Enterprise
31.	PT Antam Energi Indonesia	Subsidiary of State Owned Enterprise
32.	PT Antam Niterra Haltim	Subsidiary of State Owned Enterprise
33.	PT Antam Resourcindo	Subsidiary of State Owned Enterprise
34.	PT Artha Daya Coalindo	Subsidiary of State Owned Enterprise
35.	PT Arthindokarya Sejahtera	Subsidiary of State Owned Enterprise
36.	PT Askrindo Mitra Utama (formerly PT Usayasa Utama)	Subsidiary of State Owned Enterprise
37.	PT Asuransi Berdikari	Subsidiary of State Owned Enterprise
38.	PT Asuransi BRI Life	Subsidiary of State Owned Enterprise
39.	PT Asuransi Jasa Raharja Putera	Subsidiary of State Owned Enterprise
40.	PT Asuransi Jiwa Taspen	Subsidiary of State Owned Enterprise
41.	PT Asuransi Jiwa Tugu Mandiri (AJTM)	Subsidiary of State Owned Enterprise
42.	PT Asuransi Samsung Tugu	Subsidiary of State Owned Enterprise
43.	PT Asuransi Tokio Marine Indonesia	Subsidiary of State Owned Enterprise
44.	PT Badak Arun Solusi (formerly PT Patra Teknik)	Subsidiary of State Owned Enterprise
45.	PT Bahana Artha Ventura	Subsidiary of State Owned Enterprise
46.	PT Bahana Securities	Subsidiary of State Owned Enterprise
47.	PT Bahana TCW Investment Management	Subsidiary of State Owned Enterprise
48.	PT Bakti Timah Solusi Medika	Subsidiary of State Owned Enterprise
49.	PT Balai Lelang Artha Gasia	Subsidiary of State Owned Enterprise

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**57. RELATED PARTY TRANSACTIONS (continued)**

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following parties (continued):

· **Related parties relationship with government related entities (continued):**

<u>No.</u>	<u>Related parties</u>	<u>Nature of relationship</u>
50.	PT Balebat Dedikasi Prima	Subsidiary of State Owned Enterprise
51.	PT Bali Griya Shanti	Subsidiary of State Owned Enterprise
52.	PT Bank BNI Syariah	Subsidiary of State Owned Enterprise
53.	PT Bank BRI Syariah Tbk	Subsidiary of State Owned Enterprise
54.	PT Batubara Bukit Kendi	Subsidiary of State Owned Enterprise
55.	PT Baturaja Multi Usaha	Subsidiary of State Owned Enterprise
56.	PT Belitung Intipermai	Subsidiary of State Owned Enterprise
57.	PT Berdikari Logistik Indonesia	Subsidiary of State Owned Enterprise
58.	PT Berkah Kawasan Manyar Sejahtera	Subsidiary of State Owned Enterprise
59.	PT Berkah Multi Cargo	Subsidiary of State Owned Enterprise
60.	PT Berlian Jasa Terminal Indonesia	Subsidiary of State Owned Enterprise
61.	PT Berlian Manyar Sejahtera	Subsidiary of State Owned Enterprise
62.	PT Bhakti Wasantara Net	Subsidiary of State Owned Enterprise
63.	PT Bhineka Wana	Subsidiary of State Owned Enterprise
64.	PT Bhumi Visatanda Tour & Travel	Subsidiary of State Owned Enterprise
65.	PT Bima Sepaja Abadi	Subsidiary of State Owned Enterprise
66.	PT BNI Asset Management	Subsidiary of State Owned Enterprise
67.	PT BNI Life Insurance	Subsidiary of State Owned Enterprise
68.	PT BNI Sekuritas	Subsidiary of State Owned Enterprise
69.	PT Borneo Alumina Indonesia	Subsidiary of State Owned Enterprise
70.	PT Borneo Edo International	Subsidiary of State Owned Enterprise
71.	PT BPR Rizky Barokah	Subsidiary of State Owned Enterprise
72.	PT Brantas Adya Surya Energi	Subsidiary of State Owned Enterprise
73.	PT Brantas Cakrawala Energi	Subsidiary of State Owned Enterprise
74.	PT Brantas Energi	Subsidiary of State Owned Enterprise
75.	PT Brantas Energi Mandiri	Subsidiary of State Owned Enterprise
76.	PT Brantas Hidro Energi	Subsidiary of State Owned Enterprise
77.	PT Brantas Mahalona Energi	Subsidiary of State Owned Enterprise
78.	PT Brantas Nipajaya Energi	Subsidiary of State Owned Enterprise
79.	PT Brantas Prospek Energi	Subsidiary of State Owned Enterprise
80.	PT Brantas Prospek Engineering	Subsidiary of State Owned Enterprise
81.	PT Brantas Prospek Mandiri	Subsidiary of State Owned Enterprise
82.	PT BRI Multifinance Indonesia	Subsidiary of State Owned Enterprise
83.	PT Bromo Steel Indonesia	Subsidiary of State Owned Enterprise
84.	PT Bukit Asam	Subsidiary of State Owned Enterprise
85.	PT Bukit Asam Banko	Subsidiary of State Owned Enterprise
86.	PT Bukit Asam Medika	Subsidiary of State Owned Enterprise

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**57. RELATED PARTY TRANSACTIONS (continued)**

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following parties (continued):

• **Related parties relationship with government related entities (continued):**

<u>No.</u>	<u>Related parties</u>	<u>Nature of relationship</u>
87.	PT Bukit Asam Prima	Subsidiary of State Owned Enterprise
88.	PT Bukit Energi Investama	Subsidiary of State Owned Enterprise
89.	PT Bukit Energi Service Terpadu	Subsidiary of State Owned Enterprise
90.	PT Bukit Multi Investama	Subsidiary of State Owned Enterprise
91.	PT Bukit Multi Properti	Subsidiary of State Owned Enterprise
92.	PT Bumi Sawindo Permai	Subsidiary of State Owned Enterprise
93.	PT Cibaliung Sumber Daya	Subsidiary of State Owned Enterprise
94.	PT Cibitung Tanjung Priok Port Tollways	Subsidiary of State Owned Enterprise
95.	PT Cinere Serpong Jaya	Subsidiary of State Owned Enterprise
96.	PT Citilink Indonesia	Subsidiary of State Owned Enterprise
97.	PT Citra Bhakti Margatama Persada	Subsidiary of State Owned Enterprise
98.	PT Citra Lautan Teduh	Subsidiary of State Owned Enterprise
99.	PT Citra Lintas Angkasa	Subsidiary of State Owned Enterprise
100.	PT Citra Sari Makmur	Subsidiary of State Owned Enterprise
101.	PT Citra Tobindo Sukses Perkasa	Subsidiary of State Owned Enterprise
102.	PT Clariant Kujang Catalysts	Subsidiary of State Owned Enterprise
103.	PT Cogindo Dayabersama	Subsidiary of State Owned Enterprise
104.	PT Crompton Prima Switchgear Indonesia	Subsidiary of State Owned Enterprise
105.	PT Cut Meutia Medika Nusantara	Subsidiary of State Owned Enterprise
106.	PT Dalle Energy Batam (DEB)	Subsidiary of State Owned Enterprise
107.	PT Danareksa Capital	Subsidiary of State Owned Enterprise
108.	PT Danareksa Finance	Subsidiary of State Owned Enterprise
109.	PT Danareksa Investment Management	Subsidiary of State Owned Enterprise
110.	PT Danareksa Sekuritas	Subsidiary of State Owned Enterprise
111.	PT Dasaplast Nusantara	Subsidiary of State Owned Enterprise
112.	PT Dayamitra Telekomunikasi	Subsidiary of State Owned Enterprise
113.	PT Dok & Perkapalan Air Kantung	Subsidiary of State Owned Enterprise
114.	PT Dok & Perkapalan Kodja Bahari	Subsidiary of State Owned Enterprise
115.	PT Dok & Perkapalan Waiame	Subsidiary of State Owned Enterprise
116.	PT Donggi Senoro LNG	Subsidiary of State Owned Enterprise
117.	PT Dwimitra Enggang Khatulistiwa	Subsidiary of State Owned Enterprise
118.	PT Electronic Data Interchange Indonesia	Subsidiary of State Owned Enterprise
119.	PT Elnusa Fabrikasi Konstruksi	Subsidiary of State Owned Enterprise
120.	PT Elnusa Geosains Indonesia	Subsidiary of State Owned Enterprise
121.	PT Elnusa Oilfield Service	Subsidiary of State Owned Enterprise
122.	PT Elnusa Petrofin	Subsidiary of State Owned Enterprise
123.	PT Elnusa Tbk	Subsidiary of State Owned Enterprise

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**57. RELATED PARTY TRANSACTIONS (continued)**

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following parties (continued):

• **Related parties relationship with government related entities (continued):**

<u>No.</u>	<u>Related parties</u>	<u>Nature of relationship</u>
124.	PT Elnusa Trans Samudera	Subsidiary of State Owned Enterprise
125.	PT Eltran Indonesia	Subsidiary of State Owned Enterprise
126.	PT Energi Agro Nusantara	Subsidiary of State Owned Enterprise
127.	PT Energi Pelabuhan Indonesia	Subsidiary of State Owned Enterprise
128.	PT Equiport Inti Indonesia	Subsidiary of State Owned Enterprise
129.	PT Farmalab Indoutama	Subsidiary of State Owned Enterprise
130.	PT Feni Haltim	Subsidiary of State Owned Enterprise
131.	PT Finnet Indonesia	Subsidiary of State Owned Enterprise
132.	PT Fintek Karya Nusantara	Subsidiary of State Owned Enterprise
133.	PT Freeport Indonesia	Subsidiary of State Owned Enterprise
134.	PT Gadang Hidro Energi	Subsidiary of State Owned Enterprise
135.	PT GAG Nikel	Subsidiary of State Owned Enterprise
136.	PT Gagas Energi Indonesia	Subsidiary of State Owned Enterprise
137.	PT Gapura Angkasa	Subsidiary of State Owned Enterprise
138.	PT Garuda Maintenance Facility Aero Asia	Subsidiary of State Owned Enterprise
139.	PT Gema Hutani Lestari	Subsidiary of State Owned Enterprise
140.	PT Geo Dipa Energi	Subsidiary of State Owned Enterprise
141.	PT GIEB Indonesia	Subsidiary of State Owned Enterprise
142.	PT GIH Indonesia	Subsidiary of State Owned Enterprise
143.	PT Gitanusa Sarana Niaga	Subsidiary of State Owned Enterprise
144.	PT Graha Investama Bersama	Subsidiary of State Owned Enterprise
145.	PT Graha Niaga Tata Utama	Subsidiary of State Owned Enterprise
146.	PT Graha Sarana Duta	Subsidiary of State Owned Enterprise
147.	PT Graha Yasa Selaras	Subsidiary of State Owned Enterprise
148.	PT Gresik Cipta Sejahtera	Subsidiary of State Owned Enterprise
149.	PT Griyaton Indonesia	Subsidiary of State Owned Enterprise
150.	PT Gunung Gajah Abadi	Subsidiary of State Owned Enterprise
151.	PT Gunung Kendaik	Subsidiary of State Owned Enterprise
152.	PT Hakaaston	Subsidiary of State Owned Enterprise
153.	PT Haleyora Power	Subsidiary of State Owned Enterprise
154.	PT Haleyora Powerindo	Subsidiary of State Owned Enterprise
155.	PT Hasta Kreasi Mandiri	Subsidiary of State Owned Enterprise
156.	PT HK Infrastruktur	Subsidiary of State Owned Enterprise
157.	PT HK Realtindo	Subsidiary of State Owned Enterprise
158.	PT Utama Prima	Subsidiary of State Owned Enterprise
159.	PT Utama Marga Waskita	Subsidiary of State Owned Enterprise
160.	PT Hutansanggaran Labanan Lestari	Subsidiary of State Owned Enterprise



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**57. RELATED PARTY TRANSACTIONS (continued)**

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following parties (continued):

• **Related parties relationship with government related entities (continued):**

<u>No.</u>	<u>Related parties</u>	<u>Nature of relationship</u>
161.	PT Igasar	Subsidiary of State Owned Enterprise
162.	PT Indo Japan Steel Center	Subsidiary of State Owned Enterprise
163.	PT Indo Ridlatama Power	Subsidiary of State Owned Enterprise
164.	PT Indofarma Global Medika	Subsidiary of State Owned Enterprise
165.	PT Indometal London Ltd	Subsidiary of State Owned Enterprise
166.	PT Indonesia Air & Marine Supply	Subsidiary of State Owned Enterprise
167.	PT Indonesia Chemical Alumina	Subsidiary of State Owned Enterprise
168.	PT Indonesia Coal Resources	Subsidiary of State Owned Enterprise
169.	PT Indonesia Comnets Plus	Subsidiary of State Owned Enterprise
170.	PT Indonesia Kendaraan Terminal	Subsidiary of State Owned Enterprise
171.	PT Indonesia Power	Subsidiary of State Owned Enterprise
172.	PT Indonusa Telemedia	Subsidiary of State Owned Enterprise
173.	PT Indopelita Aircraft Service	Subsidiary of State Owned Enterprise
174.	PT Industri Karet Nusantara	Subsidiary of State Owned Enterprise
175.	PT Industri Kemasan Semen Gresik	Subsidiary of State Owned Enterprise
176.	PT Industri Nabati Lestari (PT Sinar Oleo Nusantara)	Subsidiary of State Owned Enterprise
177.	PT Infomedia Nusantara	Subsidiary of State Owned Enterprise
178.	PT Infomedia Solusi Humanika	Subsidiary of State Owned Enterprise
179.	PT Infrastruktur Telekomunikasi Indonesia	Subsidiary of State Owned Enterprise
180.	PT Inhutani I	Subsidiary of State Owned Enterprise
181.	PT Inhutani II	Subsidiary of State Owned Enterprise
182.	PT Inhutani III	Subsidiary of State Owned Enterprise
183.	PT Inhutani IV	Subsidiary of State Owned Enterprise
184.	PT Inhutani V	Subsidiary of State Owned Enterprise
185.	PT INKA Multi Solusi	Subsidiary of State Owned Enterprise
186.	PT Integrasi Logistik Cipta Solusi	Subsidiary of State Owned Enterprise
187.	PT International Mineral Capital	Subsidiary of State Owned Enterprise
188.	PT Inti Bagas Perkasa	Subsidiary of State Owned Enterprise
189.	PT Inti Global Optical Comm	Subsidiary of State Owned Enterprise
190.	PT IPC Terminal Petikemas	Subsidiary of State Owned Enterprise
191.	PT ITCI Kayan Hutani	Subsidiary of State Owned Enterprise
192.	PT Jababeka PP Properti	Subsidiary of State Owned Enterprise
193.	PT Jakarta Industrial Estate Pulogadung	Subsidiary of State Owned Enterprise
194.	PT Jakarta International Container Terminal	Subsidiary of State Owned Enterprise
195.	PT Jakarta Trans Metropolitan	Subsidiary of State Owned Enterprise
196.	PT Jalantol Lingkarluar Jakarta	Subsidiary of State Owned Enterprise
197.	PT Jalin Pembayaran Nusantara	Subsidiary of State Owned Enterprise

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**57. RELATED PARTY TRANSACTIONS (continued)**

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following parties (continued):

· **Related parties relationship with government related entities (continued):**

<u>No.</u>	<u>Related parties</u>	<u>Nature of relationship</u>
198.	PT Jambi Prima Coal	Subsidiary of State Owned Enterprise
199.	PT Jasa Armada Indonesia	Subsidiary of State Owned Enterprise
200.	PT Jasa Marga Bali Tol	Subsidiary of State Owned Enterprise
201.	PT Jasa Marga Balikpapan Samarinda	Subsidiary of State Owned Enterprise
202.	PT Jasa Marga Gempol Pasuruan	Subsidiary of State Owned Enterprise
203.	PT Jasa Marga Jalanlayang Cikampek	Subsidiary of State Owned Enterprise
204.	PT Jasa Marga Japek Selatan (JJS)	Subsidiary of State Owned Enterprise
205.	PT Jasa Marga Kualanamu Tol	Subsidiary of State Owned Enterprise
206.	PT Jasa Marga Kunciran Cengkareng	Subsidiary of State Owned Enterprise
207.	PT Jasa Marga Manado Bitung	Subsidiary of State Owned Enterprise
208.	PT Jasa Marga Pandaan Malang	Subsidiary of State Owned Enterprise
209.	PT Jasa Marga Pandaan Tol	Subsidiary of State Owned Enterprise
210.	PT Jasa Marga Probolinggo Banyuwangi	Subsidiary of State Owned Enterprise
211.	PT Jasa Marga Properti	Subsidiary of State Owned Enterprise
212.	PT Jasa Marga Semarang Batang	Subsidiary of State Owned Enterprise
213.	PT Jasa Marga Ngawi Kertosono Kediri	Subsidiary of State Owned Enterprise
214.	PT Jasa Marga Surabaya Mojokerto	Subsidiary of State Owned Enterprise
215.	PT Jasa Marga Solo Ngawi	Subsidiary of State Owned Enterprise
216.	PT Jasa Marga Tollroad Maintenance	Subsidiary of State Owned Enterprise
217.	PT Jasa Marga Tollroad Operator (JMTO)	Subsidiary of State Owned Enterprise
218.	PT Jasa Marga Transjawa Tol (JTT)	Subsidiary of State Owned Enterprise
219.	PT Jasa Peralatan Pelabuhan Indonesia	Subsidiary of State Owned Enterprise
220.	PT Jasa Prima Logistik Bulog	Subsidiary of State Owned Enterprise
221.	PT Jawa Satu Power	Subsidiary of State Owned Enterprise
222.	PT KAI Commuter Jabodetabek	Subsidiary of State Owned Enterprise
223.	PT Kalimantan Jawa Gas	Subsidiary of State Owned Enterprise
224.	PT Kalimantan Medika Nusantara	Subsidiary of State Owned Enterprise
225.	PT Kaltim Daya Mandiri	Subsidiary of State Owned Enterprise
226.	PT Kaltim Industrial Estate	Subsidiary of State Owned Enterprise
227.	PT Kaltim Jasa Sekuriti	Subsidiary of State Owned Enterprise
228.	PT Kaltim Jordan Abadi	Subsidiary of State Owned Enterprise
229.	PT Kaltim Kariangau Terminal	Subsidiary of State Owned Enterprise
230.	PT Karya Citra Nusantara	Subsidiary of State Owned Enterprise
231.	PT Kawasan Industri Gresik	Subsidiary of State Owned Enterprise
232.	PT Kawasan Industri Kujang Cikampek	Subsidiary of State Owned Enterprise
233.	PT Kereta Api Logistik	Subsidiary of State Owned Enterprise
234.	PT Kereta Api Pariwisata	Subsidiary of State Owned Enterprise

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**57. RELATED PARTY TRANSACTIONS (continued)**

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following parties (continued):

· **Related parties relationship with government related entities (continued):**

<u>No.</u>	<u>Related parties</u>	<u>Nature of relationship</u>
235.	PT Kerimas Witikco Makmur (PT Kerimas)	Subsidiary of State Owned Enterprise
236.	PT Kertas Padalarang	Subsidiary of State Owned Enterprise
237.	PT Kharisma Pemasaran Bersama Logistik	Subsidiary of State Owned Enterprise
238.	PT Kharisma Pemasaran Bersama Nusantara	Subsidiary of State Owned Enterprise
239.	PT KHI Pipe Industries	Subsidiary of State Owned Enterprise
240.	PT Kimia Farma Apotek	Subsidiary of State Owned Enterprise
241.	PT Kimia Farma Diagnostika	Subsidiary of State Owned Enterprise
242.	PT Kimia Farma Sungwun Pharmacopia	Subsidiary of State Owned Enterprise
243.	PT Kimia Farma Trading & Distribution	Subsidiary of State Owned Enterprise
244.	PT Kliring Perdagangan Berjangka Indonesia	Subsidiary of State Owned Enterprise
245.	PT Koba Tin	Subsidiary of State Owned Enterprise
246.	PT Kodja Terramarin	Subsidiary of State Owned Enterprise
247.	PT Komipo Pembangkitan Jawa Bali	Subsidiary of State Owned Enterprise
248.	PT Krakatau Argo Logistics	Subsidiary of State Owned Enterprise
249.	PT Krakatau Bandar Samudra	Subsidiary of State Owned Enterprise
250.	PT Krakatau Blue Water	Subsidiary of State Owned Enterprise
251.	PT Krakatau Daedong Machinery	Subsidiary of State Owned Enterprise
252.	PT Krakatau Daya Listrik	Subsidiary of State Owned Enterprise
253.	PT Krakatau Engineering	Subsidiary of State Owned Enterprise
254.	PT Krakatau Golden Lime	Subsidiary of State Owned Enterprise
255.	PT Krakatau Industrial Estate Cilegon	Subsidiary of State Owned Enterprise
256.	PT Krakatau Information Technology	Subsidiary of State Owned Enterprise
257.	PT Krakatau Medika	Subsidiary of State Owned Enterprise
258.	PT Krakatau Nasional Resources	Subsidiary of State Owned Enterprise
259.	PT Krakatau Niaga Indonesia	Subsidiary of State Owned Enterprise
260.	PT Krakatau Nippon Steel Sumikin	Subsidiary of State Owned Enterprise
261.	PT Krakatau Osaka Steel	Subsidiary of State Owned Enterprise
262.	PT Krakatau Posco	Subsidiary of State Owned Enterprise
263.	PT Krakatau Prima Dharma Sentana	Subsidiary of State Owned Enterprise
264.	PT Krakatau Samator	Subsidiary of State Owned Enterprise
265.	PT Krakatau Semen Indonesia	Subsidiary of State Owned Enterprise
266.	PT Krakatau Tirta Industri	Subsidiary of State Owned Enterprise
267.	PT Krakatau Wajatama	Subsidiary of State Owned Enterprise
268.	PT Krakatau Wajatama Osaka Steel Marketing	Subsidiary of State Owned Enterprise
269.	PT Kresna Kusuma Dyandra Marga	Subsidiary of State Owned Enterprise
270.	PT Kujang Tatar Persada	Subsidiary of State Owned Enterprise
271.	PT Kujang Tirta Sarana	Subsidiary of State Owned Enterprise

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**57. RELATED PARTY TRANSACTIONS (continued)**

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following parties (continued):

· **Related parties relationship with government related entities (continued):**

<u>No.</u>	<u>Related parties</u>	<u>Nature of relationship</u>
272.	PT Lamong Energi Indonesia	Subsidiary of State Owned Enterprise
273.	PT Laras Astra Kartika	Subsidiary of State Owned Enterprise
274.	PT LEN Railway Systems	Subsidiary of State Owned Enterprise
275.	PT LEN Telekomunikasi Indonesia	Subsidiary of State Owned Enterprise
276.	PT Limbong Hidro Energi	Subsidiary of State Owned Enterprise
277.	PT Madu Baru	Subsidiary of State Owned Enterprise
278.	PT Mardec Nusa Riau	Subsidiary of State Owned Enterprise
279.	PT Marga Lingkar Jakarta	Subsidiary of State Owned Enterprise
280.	PT Marga Sarana Jabar	Subsidiary of State Owned Enterprise
281.	PT Marga Trans Nusantara	Subsidiary of State Owned Enterprise
282.	PT Mega Citra Utama	Subsidiary of State Owned Enterprise
283.	PT Mega Eltra	Subsidiary of State Owned Enterprise
284.	PT Melon Indonesia	Subsidiary of State Owned Enterprise
285.	PT Menara Antam Sejahtera (MAS)	Subsidiary of State Owned Enterprise
286.	PT Menara Maritim Indonesia	Subsidiary of State Owned Enterprise
287.	PT Meratus Jaya Iron & Steel	Subsidiary of State Owned Enterprise
288.	PT Merpati Training Center	Subsidiary of State Owned Enterprise
289.	PT Metra Digital Media	Subsidiary of State Owned Enterprise
290.	PT Metra Plasa	Subsidiary of State Owned Enterprise
291.	PT MetraNet	Subsidiary of State Owned Enterprise
292.	PT Minahasa Brantas Energi	Subsidiary of State Owned Enterprise
293.	PT Mirtasari Hotel Development	Subsidiary of State Owned Enterprise
294.	PT Mitra Cipta Polasarana	Subsidiary of State Owned Enterprise
295.	PT Mitra Dagang Madani	Subsidiary of State Owned Enterprise
296.	PT Mitra Energi Batam (MEB)	Subsidiary of State Owned Enterprise
297.	PT Mitra Hasrat Bersama (MHB)	Subsidiary of State Owned Enterprise
298.	PT Mitra Karya Prima	Subsidiary of State Owned Enterprise
299.	PT Mitra Kerinci	Subsidiary of State Owned Enterprise
300.	PT Mitra Proteksi Madani	Subsidiary of State Owned Enterprise
301.	PT Mitra Rajawali Banjaran	Subsidiary of State Owned Enterprise
302.	PT Mitra Tekno Madani	Subsidiary of State Owned Enterprise
303.	PT Mitra Tour & Travel	Subsidiary of State Owned Enterprise
304.	PT Mitrasraya Adhijasa	Subsidiary of State Owned Enterprise
305.	PT Mitratani Dua Tujuh	Subsidiary of State Owned Enterprise
306.	PT Muba Daya Pratama	Subsidiary of State Owned Enterprise
307.	PT Multi Nitrotama Kimia (MNK)	Subsidiary of State Owned Enterprise
308.	PT Multi Terminal Indonesia	Subsidiary of State Owned Enterprise

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**57. RELATED PARTY TRANSACTIONS (continued)**

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following parties (continued):

· **Related parties relationship with government related entities (continued):**

<b>No.</b>	<b>Related parties</b>	<b>Nature of relationship</b>
309.	PT Multimedia Nusantara	Subsidiary of State Owned Enterprise
310.	PT New Priok Container Terminal One	Subsidiary of State Owned Enterprise
311.	PT Nikel Halmahera Timur (NHT)	Subsidiary of State Owned Enterprise
312.	PT Nindya Beton	Subsidiary of State Owned Enterprise
313.	PT Nindya Karya	Subsidiary of State Owned Enterprise
314.	PT Nusa Karya Arindo	Subsidiary of State Owned Enterprise
315.	PT Nusantara Batulicin	Subsidiary of State Owned Enterprise
316.	PT Nusantara Medika Utama	Subsidiary of State Owned Enterprise
317.	PT Nusantara Regas	Subsidiary of State Owned Enterprise
318.	PT Nusantara Sukses Investasi	Subsidiary of State Owned Enterprise
319.	PT Nusantara Terminal Services	Subsidiary of State Owned Enterprise
320.	PT Nusantara Turbin dan Propulsi	Subsidiary of State Owned Enterprise
321.	PT Nutech Integrasi	Subsidiary of State Owned Enterprise
322.	PT Optima Nusa Tujuh	Subsidiary of State Owned Enterprise
323.	PT Pal Marine Service	Subsidiary of State Owned Enterprise
324.	PT Palawi Risorsis	Subsidiary of State Owned Enterprise
325.	PT Pann Pembiayaan Maritim	Subsidiary of State Owned Enterprise
326.	PT Patra Drilling Contractor	Subsidiary of State Owned Enterprise
327.	PT Patra Jasa	Subsidiary of State Owned Enterprise
328.	PT Patra Logistik	Subsidiary of State Owned Enterprise
329.	PT Patra Nusa Data	Subsidiary of State Owned Enterprise
330.	PT Patra Trading	Subsidiary of State Owned Enterprise
331.	PT PBM Adhiguna Putera	Subsidiary of State Owned Enterprise
332.	PT Pefindo Biro Kredit	Subsidiary of State Owned Enterprise
333.	PT Pegadaian Galeri Dua Empat	Subsidiary of State Owned Enterprise
334.	PT Pekanbaru Permai Propertindo	Subsidiary of State Owned Enterprise
335.	PT Pelabuhan Bukit Prima	Subsidiary of State Owned Enterprise
336.	PT Pelabuhan Tanjung Priok	Subsidiary of State Owned Enterprise
337.	PT Pelat Timah Nusantara Tbk (PT Latinusa)	Subsidiary of State Owned Enterprise
338.	PT Pelayanan Energi Batam	Subsidiary of State Owned Enterprise
339.	PT Pelayaran Bahtera Adiguna	Subsidiary of State Owned Enterprise
340.	PT Pefindo Energi Logistik	Subsidiary of State Owned Enterprise
341.	PT Pelindo Husada Citra (PT Rumah Sakit Primasatya Husada Citra)	Subsidiary of State Owned Enterprise
342.	PT Pelindo Marine Service	Subsidiary of State Owned Enterprise
343.	PT Pelindo Properti Indonesia	Subsidiary of State Owned Enterprise
344.	PT Pelita Air Service	Subsidiary of State Owned Enterprise
345.	PT Pelita Indonesia Djaya Corporation	Subsidiary of State Owned Enterprise

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**57. RELATED PARTY TRANSACTIONS (continued)**

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following parties (continued):

· **Related parties relationship with government related entities (continued):**

<u>No.</u>	<u>Related parties</u>	<u>Nature of relationship</u>
346.	PT Pemalang Batang Toll Road	Subsidiary of State Owned Enterprise
347.	PT Pembangkitan Jawa Bali (PJB)	Subsidiary of State Owned Enterprise
348.	PT Pendawa Lestari Perkasa	Subsidiary of State Owned Enterprise
349.	PT Pendidikan Maritim dan Logistik Indonesia	Subsidiary of State Owned Enterprise
350.	PT Pengembang Pelabuhan Indonesia	Subsidiary of State Owned Enterprise
351.	PT Pengerukan Indonesia (Rukindo)	Subsidiary of State Owned Enterprise
352.	PT Perta Daya Gas	Subsidiary of State Owned Enterprise
353.	PT Perhutani Anugerah Kimia	Subsidiary of State Owned Enterprise
354.	PT Perjaya Bravo Energi	Subsidiary of State Owned Enterprise
355.	PT Perkebunan Agrintara (PA)	Subsidiary of State Owned Enterprise
356.	PT Perkebunan Mitra Ogan	Subsidiary of State Owned Enterprise
357.	PT Perkebunan Nusantara I	Subsidiary of State Owned Enterprise
358.	PT Perkebunan Nusantara II	Subsidiary of State Owned Enterprise
359.	PT Perkebunan Nusantara IV	Subsidiary of State Owned Enterprise
360.	PT Perkebunan Nusantara IX	Subsidiary of State Owned Enterprise
361.	PT Perkebunan Nusantara V	Subsidiary of State Owned Enterprise
362.	PT Perkebunan Nusantara VI	Subsidiary of State Owned Enterprise
363.	PT Perkebunan Nusantara VII	Subsidiary of State Owned Enterprise
364.	PT Perkebunan Nusantara VIII	Subsidiary of State Owned Enterprise
365.	PT Perkebunan Nusantara X	Subsidiary of State Owned Enterprise
366.	PT Perkebunan Nusantara XI	Subsidiary of State Owned Enterprise
367.	PT Perkebunan Nusantara XII	Subsidiary of State Owned Enterprise
368.	PT Perkebunan Nusantara XIII	Subsidiary of State Owned Enterprise
369.	PT Perkebunan Nusantara XIV	Subsidiary of State Owned Enterprise
370.	PT Permata Graha Nusantara	Subsidiary of State Owned Enterprise
371.	PT Permodalan Nasional Madani Venture Capital	Subsidiary of State Owned Enterprise
372.	PT Peroksida Indonesia Pratama	Subsidiary of State Owned Enterprise
373.	PT Perta Arun Gas	Subsidiary of State Owned Enterprise
374.	PT Pertamina Bina Medika	Subsidiary of State Owned Enterprise
375.	PT Pertamina Dana Ventura	Subsidiary of State Owned Enterprise
376.	PT Pertamina Drilling Services Indonesia	Subsidiary of State Owned Enterprise
377.	PT Pertamina East Natuna	Subsidiary of State Owned Enterprise
378.	PT Pertamina EP	Subsidiary of State Owned Enterprise
379.	PT Pertamina Gas	Subsidiary of State Owned Enterprise
380.	PT Pertamina Geothermal Energy	Subsidiary of State Owned Enterprise
381.	PT Pertamina Hulu Energi	Subsidiary of State Owned Enterprise
382.	PT Pertamina Hulu Indonesia	Subsidiary of State Owned Enterprise

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**57. RELATED PARTY TRANSACTIONS (continued)**

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following parties (continued):

· **Related parties relationship with government related entities (continued):**

<u>No.</u>	<u>Related parties</u>	<u>Nature of relationship</u>
383.	PT Pertamina Hulu Mahakam	Subsidiary of State Owned Enterprise
384.	PT Pertamina Hulu Sanga Sanga	Subsidiary of State Owned Enterprise
385.	PT Pertamina Internasional Eksplorasi dan Produksi	Subsidiary of State Owned Enterprise
386.	PT Pertamina International Shipping	Subsidiary of State Owned Enterprise
387.	PT Pertamina International Timor SA	Subsidiary of State Owned Enterprise
388.	PT Pertamina Lubricants	Subsidiary of State Owned Enterprise
389.	PT Pertamina Patra Niaga	Subsidiary of State Owned Enterprise
390.	PT Pertamina Power Indonesia	Subsidiary of State Owned Enterprise
391.	PT Pertamina Retail	Subsidiary of State Owned Enterprise
392.	PT Pertamina Training & Consulting	Subsidiary of State Owned Enterprise
393.	PT Pertamina Trans Kontinental	Subsidiary of State Owned Enterprise
394.	PT Peruri Digital Security	Subsidiary of State Owned Enterprise
395.	PT Peruri Properti	Subsidiary of State Owned Enterprise
396.	PT Perusahaan Gas Negara	Subsidiary of State Owned Enterprise
397.	PT Pesonna Indonesia Jaya	Subsidiary of State Owned Enterprise
398.	PT Pesonna Optima Jasa	Subsidiary of State Owned Enterprise
399.	PT Peteka Karya Gapura	Subsidiary of State Owned Enterprise
400.	PT Peteka Karya Jala	Subsidiary of State Owned Enterprise
401.	PT Peteka Karya Samudera	Subsidiary of State Owned Enterprise
402.	PT Peteka Karya Tirta	Subsidiary of State Owned Enterprise
403.	PT Petro Jordan Abadi	Subsidiary of State Owned Enterprise
404.	PT Petrokimia Gresik	Subsidiary of State Owned Enterprise
405.	PT Petrokimia Kayaku	Subsidiary of State Owned Enterprise
406.	PT Petrokopindo Cipta Selaras	Subsidiary of State Owned Enterprise
407.	PT Petronika	Subsidiary of State Owned Enterprise
408.	PT Petrosida Gresik	Subsidiary of State Owned Enterprise
409.	PT PG Rajawali I	Subsidiary of State Owned Enterprise
410.	PT PG Rajawali II	Subsidiary of State Owned Enterprise
411.	PT PGAS Solution	Subsidiary of State Owned Enterprise
412.	PT PGAS Telekomunikasi Nusantara	Subsidiary of State Owned Enterprise
413.	PT PGN LNG Indonesia	Subsidiary of State Owned Enterprise
414.	PT Phapros Tbk	Subsidiary of State Owned Enterprise
415.	PT PHE Abar	Subsidiary of State Owned Enterprise
416.	PT PHE Metana Kalimantan B	Subsidiary of State Owned Enterprise
417.	PT PHE Metana Sumatera 5	Subsidiary of State Owned Enterprise
418.	PT PHE ONWJ	Subsidiary of State Owned Enterprise
419.	PT PHE OSES Ltd	Subsidiary of State Owned Enterprise

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**57. RELATED PARTY TRANSACTIONS (continued)**

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following parties (continued):

• **Related parties relationship with government related entities (continued):**

<u>No.</u>	<u>Related parties</u>	<u>Nature of relationship</u>
420.	PT PHE Semai II	Subsidiary of State Owned Enterprise
421.	PT PHE West Madura Offshore	Subsidiary of State Owned Enterprise
422.	PT PINS Indonesia	Subsidiary of State Owned Enterprise
423.	PT PJB Investasi	Subsidiary of State Owned Enterprise
424.	PT PJB Services	Subsidiary of State Owned Enterprise
425.	PT PLN Batam	Subsidiary of State Owned Enterprise
426.	PT PLN Batubara Niaga	Subsidiary of State Owned Enterprise
427.	PT PLN Batubara	Subsidiary of State Owned Enterprise
428.	PT PLN Enjinering	Subsidiary of State Owned Enterprise
429.	PT PLN Tarakan	Subsidiary of State Owned Enterprise
430.	PT PNM Investment Management	Subsidiary of State Owned Enterprise
431.	PT Portek Indonesia	Subsidiary of State Owned Enterprise
432.	PT Pos Logistik Indonesia	Subsidiary of State Owned Enterprise
433.	PT Pos Properti Indonesia	Subsidiary of State Owned Enterprise
434.	PT PP Energi	Subsidiary of State Owned Enterprise
435.	PT PP Infrastruktur	Subsidiary of State Owned Enterprise
436.	PT PP Presisi (formerly PT PP Peralatan)	Subsidiary of State Owned Enterprise
437.	PT PP Properti	Subsidiary of State Owned Enterprise
438.	PT PP Properti Jababeka Residen	Subsidiary of State Owned Enterprise
439.	PT PP Urban (formerly PT PP Pracetak)	Subsidiary of State Owned Enterprise
440.	PT PPA Finance	Subsidiary of State Owned Enterprise
441.	PT PPA Kapital	Subsidiary of State Owned Enterprise
442.	PT Pratama Mitra Sejati	Subsidiary of State Owned Enterprise
443.	PT Pratama Persada Airbone	Subsidiary of State Owned Enterprise
444.	PT Prima Armada raya	Subsidiary of State Owned Enterprise
445.	PT Prima Citra Nutrindo	Subsidiary of State Owned Enterprise
446.	PT Prima Husada Cipta Medan	Subsidiary of State Owned Enterprise
447.	PT Prima Indonesia Logistik	Subsidiary of State Owned Enterprise
448.	PT Prima Layanan Niaga Suku Cadang	Subsidiary of State Owned Enterprise
449.	PT Prima Medica Nusantara	Subsidiary of State Owned Enterprise
450.	PT Prima Multi Terminal	Subsidiary of State Owned Enterprise
451.	PT Prima Pengembangan Kawasan	Subsidiary of State Owned Enterprise
452.	PT Prima Power Nusantara	Subsidiary of State Owned Enterprise
453.	PT Prima Terminal Peti Kemas	Subsidiary of State Owned Enterprise
454.	PT Propernas Griya Utama	Subsidiary of State Owned Enterprise
455.	PT Pupuk Agro Nusantara	Subsidiary of State Owned Enterprise
456.	PT Pupuk Indonesia Energi	Subsidiary of State Owned Enterprise



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**57. RELATED PARTY TRANSACTIONS (continued)**

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following parties (continued):

• **Related parties relationship with government related entities (continued):**

<u>No.</u>	<u>Related parties</u>	<u>Nature of relationship</u>
457.	PT Pupuk Indonesia Logistik	Subsidiary of State Owned Enterprise
458.	PT Pupuk Indonesia Pangan	Subsidiary of State Owned Enterprise
459.	PT Pupuk Iskandar Muda	Subsidiary of State Owned Enterprise
460.	PT Pupuk Kalimantan Timur	Subsidiary of State Owned Enterprise
461.	PT Pupuk Kujang	Subsidiary of State Owned Enterprise
462.	PT Pupuk Sriwidjaja Palembang	Subsidiary of State Owned Enterprise
463.	PT Purantara Mitra Angkasa Dua	Subsidiary of State Owned Enterprise
464.	PT Puspertino	Subsidiary of State Owned Enterprise
465.	PT Pusri Agro Lestari	Subsidiary of State Owned Enterprise
466.	PT Putra Indo Tenaga	Subsidiary of State Owned Enterprise
467.	PT Railink	Subsidiary of State Owned Enterprise
468.	PT Rajawali Citramass	Subsidiary of State Owned Enterprise
469.	PT Rajawali Nusindo	Subsidiary of State Owned Enterprise
470.	PT Rajawali Tanjungsari Enjiniring	Subsidiary of State Owned Enterprise
471.	PT Rantepao Hidro Energi	Subsidiary of State Owned Enterprise
472.	PT Ratah Timber	Subsidiary of State Owned Enterprise
473.	PT Reasuransi Nasional Indonesia	Subsidiary of State Owned Enterprise
474.	PT Recon Sarana Utama	Subsidiary of State Owned Enterprise
475.	PT Rekadaya ElektriKA	Subsidiary of State Owned Enterprise
476.	PT Rekadaya ElektriKA Consult	Subsidiary of State Owned Enterprise
477.	PT Rekindo Global Jasa	Subsidiary of State Owned Enterprise
478.	PT Rekayasa Cakrawala Resources	Subsidiary of State Owned Enterprise
479.	PT Rekayasa Engineering	Subsidiary of State Owned Enterprise
480.	PT Rekayasa Industri (PT Rekind)	Subsidiary of State Owned Enterprise
481.	PT Rekind Daya Mamuju	Subsidiary of State Owned Enterprise
482.	PT Reska Multi Usaha	Subsidiary of State Owned Enterprise
483.	PT Riset Perkebunan Nusantara	Subsidiary of State Owned Enterprise
484.	PT Rolas Nusantara Mandiri	Subsidiary of State Owned Enterprise
485.	PT Rolas Nusantara Medika	Subsidiary of State Owned Enterprise
486.	PT Rolas Nusantara Tambang	Subsidiary of State Owned Enterprise
487.	PT Rumah Sakit Bhakti Timah	Subsidiary of State Owned Enterprise
488.	PT Rumah Sakit Pelabuhan	Subsidiary of State Owned Enterprise
489.	PT Rumah Sakit Pelni	Subsidiary of State Owned Enterprise
490.	PT Sabre Travel Network Indonesia (formerly ADSI)	Subsidiary of State Owned Enterprise
491.	PT Sahung Brantas Energi	Subsidiary of State Owned Enterprise
492.	PT Saka Energi Bangkanai Barat	Subsidiary of State Owned Enterprise
493.	PT Saka Energi Indonesia	Subsidiary of State Owned Enterprise

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**57. RELATED PARTY TRANSACTIONS (continued)**

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following parties (continued):

· **Related parties relationship with government related entities (continued):**

<u>No.</u>	<u>Related parties</u>	<u>Nature of relationship</u>
494.	PT Saka Pangkah LLC	Subsidiary of State Owned Enterprise
495.	PT Sarana Aceh Ventura	Subsidiary of State Owned Enterprise
496.	PT Sarana Agro Nusantara	Subsidiary of State Owned Enterprise
497.	PT Sarana Bandar Logistik	Subsidiary of State Owned Enterprise
498.	PT Sarana Bandar Nasional	Subsidiary of State Owned Enterprise
499.	PT Sarana Bengkulu Ventura	Subsidiary of State Owned Enterprise
500.	PT Sarana Jabar Ventura	Subsidiary of State Owned Enterprise
501.	PT Sarana Jakarta Ventura	Subsidiary of State Owned Enterprise
502.	PT Sarana Jambi Ventura	Subsidiary of State Owned Enterprise
503.	PT Sarana Jateng Ventura	Subsidiary of State Owned Enterprise
504.	PT Sarana Jatim Ventura	Subsidiary of State Owned Enterprise
505.	PT Sarana Kalbar Ventura	Subsidiary of State Owned Enterprise
506.	PT Sarana Kalsel Ventura	Subsidiary of State Owned Enterprise
507.	PT Sarana Kaltim Ventura	Subsidiary of State Owned Enterprise
508.	PT Sarana Papua Ventura	Subsidiary of State Owned Enterprise
509.	PT Sarana Riau Ventura	Subsidiary of State Owned Enterprise
510.	PT Sarana Sulsel Ventura	Subsidiary of State Owned Enterprise
511.	PT Sarana Sulut Ventura	Subsidiary of State Owned Enterprise
512.	PT Sarana Surakarta Ventura	Subsidiary of State Owned Enterprise
513.	PT Sari Arthamas (Sari Pacific Hotel)	Subsidiary of State Owned Enterprise
514.	PT Sari Valuta Asing	Subsidiary of State Owned Enterprise
515.	PT Satria Bahana Sarana	Subsidiary of State Owned Enterprise
516.	PT Segara Indochon	Subsidiary of State Owned Enterprise
517.	PT Semen Gresik	Subsidiary of State Owned Enterprise
518.	PT Semen Indonesia Aceh	Subsidiary of State Owned Enterprise
519.	PT Semen Indonesia Beton (formerly PT SGG Prima Beton)	Subsidiary of State Owned Enterprise
520.	PT Semen Indonesia Distributor (formerly PT Waru Abadi)	Subsidiary of State Owned Enterprise
521.	PT Semen Indonesia International	Subsidiary of State Owned Enterprise
522.	PT Semen Indonesia Logistik (formerly PT Varia Usaha)	Subsidiary of State Owned Enterprise
523.	PT Semen Kupang Indonesia	Subsidiary of State Owned Enterprise
524.	PT Semen Padang	Subsidiary of State Owned Enterprise
525.	PT Semen Tonasa	Subsidiary of State Owned Enterprise
526.	PT Senggigi Pratama Internasional	Subsidiary of State Owned Enterprise
527.	PT Sentul PP Properti	Subsidiary of State Owned Enterprise
528.	PT Sepatim Batamtama	Subsidiary of State Owned Enterprise
529.	PT Sepoetih Daya Prima	Subsidiary of State Owned Enterprise

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**57. RELATED PARTY TRANSACTIONS (continued)**

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following parties (continued):

· **Related parties relationship with government related entities (continued):**

No.	Related parties	Nature of relationship
530.	PT Sinergi Mitra Investama (dahulu PT SGG Energi Prima)	Subsidiary of State Owned Enterprise
531.	PT Sigma Cipta Caraka	Subsidiary of State Owned Enterprise
532.	PT Sigma Cipta Utama	Subsidiary of State Owned Enterprise
533.	PT Sigma Utama	Subsidiary of State Owned Enterprise
534.	PT Sinergi Informatika Semen Indonesia	Subsidiary of State Owned Enterprise
535.	PT Sinergi Investasi Properti	Subsidiary of State Owned Enterprise
536.	PT Sinergi Perkebunan Nusantara (SPN)	Subsidiary of State Owned Enterprise
537.	PT Sinkona Indonesia Lestari	Subsidiary of State Owned Enterprise
538.	PT Sintas Kurama Perdana	Subsidiary of State Owned Enterprise
539.	PT Solusi Bangun Andalas	Subsidiary of State Owned Enterprise
540.	PT Solusi Bangun Beton	Subsidiary of State Owned Enterprise
541.	PT Solusi Bangun Indonesia	Subsidiary of State Owned Enterprise
542.	PT Solusi Energy Nusantara	Subsidiary of State Owned Enterprise
543.	PT Sri Pamela Medika Nusantara	Subsidiary of State Owned Enterprise
544.	PT Sriwijaya Markmore Persada	Subsidiary of State Owned Enterprise
545.	PT Sucofindo Advisory Utama	Subsidiary of State Owned Enterprise
546.	PT Sucofindo Episi	Subsidiary of State Owned Enterprise
547.	PT Sumber Segara Primadaya (S2P)	Subsidiary of State Owned Enterprise
548.	PT Sumberdaya Arindo	Subsidiary of State Owned Enterprise
549.	PT Surabaya Industrial Estate Rungkut (SIER)	Subsidiary of State Owned Enterprise
550.	PT Surveyor Carbon Consulting Indonesia	Subsidiary of State Owned Enterprise
551.	PT Surya Energi Indotama	Subsidiary of State Owned Enterprise
552.	PT Swadaya Graha	Subsidiary of State Owned Enterprise
553.	PT Tanjung Alam Jaya	Subsidiary of State Owned Enterprise
554.	PT Telekomunikasi Indonesia International	Subsidiary of State Owned Enterprise
555.	PT Telekomunikasi Selular	Subsidiary of State Owned Enterprise
556.	PT Telemedia Dinamika Sarana	Subsidiary of State Owned Enterprise
557.	PT Telkom Akses	Subsidiary of State Owned Enterprise
558.	PT Telkom Landmark Tower	Subsidiary of State Owned Enterprise
559.	PT Telkom Satelit Indonesia (formerly PT Patra Telekomunikasi Indonesia)	Subsidiary of State Owned Enterprise
560.	PT Terminal Peti Kemas Surabaya	Subsidiary of State Owned Enterprise
561.	PT Terminal Teluk Lamong	Subsidiary of State Owned Enterprise
562.	PT Tiar Daya Hidro	Subsidiary of State Owned Enterprise
563.	PT Tiga Mutiara Nusantara (TMN)	Subsidiary of State Owned Enterprise
564.	PT Timah	Subsidiary of State Owned Enterprise
565.	PT Timah Agro Manunggal	Subsidiary of State Owned Enterprise
566.	PT Timah Industri	Subsidiary of State Owned Enterprise

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**57. RELATED PARTY TRANSACTIONS (continued)**

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following parties (continued):

• **Related parties relationship with government related entities (continued):**

<u>No.</u>	<u>Related parties</u>	<u>Nature of relationship</u>
567.	PT Timah Investasi Mineral	Subsidiary of State Owned Enterprise
568.	PT Timah Karya Persada Properti (formerly PT Timah Adhi Wijaya)	Subsidiary of State Owned Enterprise
569.	PT Tiphone Mobile Indonesia Tbk	Subsidiary of State Owned Enterprise
570.	PT Tracon Industri	Subsidiary of State Owned Enterprise
571.	PT Trans Jabar Tol	Subsidiary of State Owned Enterprise
572.	PT Trans Marga Jateng	Subsidiary of State Owned Enterprise
573.	PT Transportasi Gas Indonesia	Subsidiary of State Owned Enterprise
574.	PT Tri Sari Veem	Subsidiary of State Owned Enterprise
575.	PT Truba Bara Banyu Enim	Subsidiary of State Owned Enterprise
576.	PT Tugu Insurance Company Ltd Hongkong	Subsidiary of State Owned Enterprise
577.	PT Tugu Pratama Indonesia	Subsidiary of State Owned Enterprise
578.	PT Tugu Pratama Interindo	Subsidiary of State Owned Enterprise
579.	PT Tugu Reasuransi Indonesia	Subsidiary of State Owned Enterprise
580.	PT United Tractors Semen Gresik	Subsidiary of State Owned Enterprise
581.	PT Varia Usaha Bahari	Subsidiary of State Owned Enterprise
582.	PT Varia Usaha Beton	Subsidiary of State Owned Enterprise
583.	PT Varia Usaha Dharma Segara	Subsidiary of State Owned Enterprise
584.	PT Varia Usaha Lintas Segara	Subsidiary of State Owned Enterprise
585.	PT Waskita Beton Precast Tbk	Subsidiary of State Owned Enterprise
586.	PT Waskita Bumi Wira	Subsidiary of State Owned Enterprise
587.	PT Waskita Fim Perkasa Realti	Subsidiary of State Owned Enterprise
588.	PT Waskita Karya Energi	Subsidiary of State Owned Enterprise
589.	PT Waskita Karya Realty	Subsidiary of State Owned Enterprise
590.	PT Waskita Sangir Energi	Subsidiary of State Owned Enterprise
591.	PT Waskita Toll Road	Subsidiary of State Owned Enterprise
592.	PT Waskita Wado Energi	Subsidiary of State Owned Enterprise
593.	PT Widar Mandripa Nusantara	Subsidiary of State Owned Enterprise
594.	PT Wijaya Karya Aspal	Subsidiary of State Owned Enterprise
595.	PT Wijaya Karya Bangunan Gedung	Subsidiary of State Owned Enterprise
596.	PT Wijaya Karya Beton	Subsidiary of State Owned Enterprise
597.	PT Wijaya Karya Bitumen	Subsidiary of State Owned Enterprise
598.	PT Wijaya Karya Industri dan Konstruksi	Subsidiary of State Owned Enterprise
599.	PT Wijaya Karya Intrade Energy	Subsidiary of State Owned Enterprise
600.	PT Wijaya Karya Komponen Beton	Subsidiary of State Owned Enterprise
601.	PT Wijaya Karya Krakatau Beton	Subsidiary of State Owned Enterprise
602.	PT Wijaya Karya Pracetak Gedung	Subsidiary of State Owned Enterprise
603.	PT Wijaya Karya Realty	Subsidiary of State Owned Enterprise
604.	PT Wijaya Karya Realty Minor Development	Subsidiary of State Owned Enterprise

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**57. RELATED PARTY TRANSACTIONS (continued)**

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following parties (continued):

· **Related parties relationship with government related entities (continued):**

<b>No.</b>	<b>Related parties</b>	<b>Nature of relationship</b>
605.	PT Wisma Seratus Sejahtera	Subsidiary of State Owned Enterprise
606.	PT Yasa Industri Nusantara	Subsidiary of State Owned Enterprise
607.	Saka Indonesia Pangkah BV	Subsidiary of State Owned Enterprise
608.	Timah International Investment Pte Ltd	Subsidiary of State Owned Enterprise
609.	PT Asuransi Jasa Raharja	State Owned Enterprise
610.	Perum BULOG	State Owned Enterprise
611.	Perum DAMRI	State Owned Enterprise
612.	Perum Jaminan Kredit Indonesia (Jamkrindo)	State Owned Enterprise
613.	Perum Jasa Tirta I	State Owned Enterprise
614.	Perum Jasa Tirta II	State Owned Enterprise
615.	Perum Lembaga Penyelenggara Pelayanan Navigasi Penerbangan Indonesia (Perum LPPNPI)	State Owned Enterprise
616.	Perum LKBN Antara	State Owned Enterprise
617.	Perum Pegadaian	State Owned Enterprise
618.	Perum Pengangkutan Djakarta (PPD)	State Owned Enterprise
619.	Perum Percetakan Negara Republik Indonesia	State Owned Enterprise
620.	Perum Percetakan Uang Republik Indonesia (Perum PERURI)	State Owned Enterprise
621.	Perum Perhutani	State Owned Enterprise
622.	Perum Perikanan Indonesia (Perum PERINDO)	State Owned Enterprise
623.	Perum Perumnas	State Owned Enterprise
624.	Perum Produksi Film Negara	State Owned Enterprise
625.	PT Adhi Karya (Persero) Tbk	State Owned Enterprise
626.	PT Amarta Karya	State Owned Enterprise
627.	PT Angkasa Pura I (Persero)	State Owned Enterprise
628.	PT Angkasa Pura II (Persero)	State Owned Enterprise
629.	PT ASABRI	State Owned Enterprise
630.	PT ASDP Indonesia Ferry	State Owned Enterprise
631.	PT Asuransi Jasa Indonesia	State Owned Enterprise
632.	PT Asuransi Jiwasraya	State Owned Enterprise
633.	PT Asuransi Kredit Indonesia (PT Askrimdo)	State Owned Enterprise
634.	PT Bahana Pembinaan Usaha Indonesia	State Owned Enterprise
635.	PT Balai Pustaka	State Owned Enterprise
636.	PT Bank Negara Indonesia (Persero) Tbk,	State Owned Enterprise
637.	PT Bank Rakyat Indonesia (Persero) Tbk,	State Owned Enterprise
638.	PT Bank Tabungan Negara (Persero) Tbk,	State Owned Enterprise
639.	PT Barata Indonesia	State Owned Enterprise
640.	PT Berdikari	State Owned Enterprise

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**57. RELATED PARTY TRANSACTIONS (continued)**

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following parties (continued):

· **Related parties relationship with government related entities (continued):**

<u>No.</u>	<u>Related parties</u>	<u>Nature of relationship</u>
641.	PT Bhandha Ghara Reksa	State Owned Enterprise
642.	PT Bina Karya	State Owned Enterprise
643.	PT Bio Farma	State Owned Enterprise
644.	PT Biro Klasifikasi Indonesia	State Owned Enterprise
645.	PT Boma Bisma Indra	State Owned Enterprise
646.	PT Brantas Abipraya	State Owned Enterprise
647.	PT Dahana	State Owned Enterprise
648.	PT Danareksa	State Owned Enterprise
649.	PT Dirgantara Indonesia	State Owned Enterprise
650.	PT Djakarta Lloyd	State Owned Enterprise
651.	PT Dok & Perkapalan Surabaya	State Owned Enterprise
652.	PT Energy Management Indonesia	State Owned Enterprise
653.	PT Garam	State Owned Enterprise
654.	PT Garuda Indonesia	State Owned Enterprise
655.	PT Hotel Indonesia Natour	State Owned Enterprise
656.	PT Hutama Karya	State Owned Enterprise
657.	PT Iglas	State Owned Enterprise
658.	PT Indah Karya	State Owned Enterprise
659.	PT Indofarma	State Owned Enterprise
660.	PT Indonesia Asahan Aluminium (INALUM)	State Owned Enterprise
661.	PT Indra Karya	State Owned Enterprise
662.	PT Industri Kapal Indonesia	State Owned Enterprise
663.	PT Industri Kereta Api (INKA)	State Owned Enterprise
664.	PT Industri Nuklir Indonesia	State Owned Enterprise
665.	PT Industri Sandang Nusantara	State Owned Enterprise
666.	PT Industri Telekomunikasi Indonesia (INTI)	State Owned Enterprise
667.	PT Istaka Karya	State Owned Enterprise
668.	PT Jasa Marga Tbk	State Owned Enterprise
669.	PT Kawasan Berikat Nusantara	State Owned Enterprise
670.	PT Kawasan Industri Makasar	State Owned Enterprise
671.	PT Kawasan Industri Medan	State Owned Enterprise
672.	PT Kawasan Industri Wijayakusuma	State Owned Enterprise
673.	PT Kereta Api Indonesia	State Owned Enterprise
674.	PT Kertas Kraft Aceh	State Owned Enterprise
675.	PT Kertas Lece	State Owned Enterprise

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**57. RELATED PARTY TRANSACTIONS (continued)**

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following parties (continued):

• **Related parties relationship with government related entities (continued):**

No.	Related parties	Nature of relationship
676.	PT Kimia Farma Tbk	State Owned Enterprise
677.	PT Kliring Berjangka Indonesia	State Owned Enterprise
678.	PT Krakatau Steel Tbk	State Owned Enterprise
679.	PT Len Industri	State Owned Enterprise
680.	PT Merpati Nusantara Airlines	State Owned Enterprise
681.	PT PAL Indonesia	State Owned Enterprise
682.	PT Pann Multi Finance	State Owned Enterprise
683.	PT Pelabuhan Indonesia I	State Owned Enterprise
684.	PT Pelabuhan Indonesia II	State Owned Enterprise
685.	PT Pelabuhan Indonesia III	State Owned Enterprise
686.	PT Pelabuhan Indonesia IV	State Owned Enterprise
687.	PT Pelayaran Nasional Indonesia (PT PELNI)	State Owned Enterprise
688.	PT Pembangunan Perumahan	State Owned Enterprise
689.	PT Pengembangan Pariwisata Indonesia	State Owned Enterprise
690.	PT Pengusahaan Daerah Industri Pulau Batam	State Owned Enterprise
691.	PT Perikanan Nusantara	State Owned Enterprise
692.	PT Perkebunan Nusantara III	State Owned Enterprise
693.	PT Permodalan Nasional Madani	State Owned Enterprise
694.	PT Pertamina	State Owned Enterprise
695.	PT Pertani	State Owned Enterprise
696.	PT Perusahaan Listrik Negara	State Owned Enterprise
697.	PT Perusahaan Pengelola Aset	State Owned Enterprise
698.	PT Perusahaan Perdagangan Indonesia	State Owned Enterprise
699.	PT Pindad	State Owned Enterprise
700.	PT Pos Indonesia	State Owned Enterprise
701.	PT Primmisima	State Owned Enterprise
702.	PT Pupuk Indonesia Holding Company	State Owned Enterprise
703.	PT Rajawali Nusantara Indonesia	State Owned Enterprise
704.	PT Reasuransi Indonesia Utama	State Owned Enterprise
705.	PT Sang Hyang Seri	State Owned Enterprise
706.	PT Sarinah	State Owned Enterprise
707.	PT Semen Baturaja	State Owned Enterprise
708.	PT Semen Indonesia	State Owned Enterprise
709.	PT Semen Kupang	State Owned Enterprise
710.	PT Sucofindo	State Owned Enterprise
711.	PT Survai Udara Penas	State Owned Enterprise
712.	PT Surveyor Indonesia	State Owned Enterprise

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**57. RELATED PARTY TRANSACTIONS (continued)**

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following parties (continued):

· **Related parties relationship with government related entities (continued):**

No.	Related parties	Nature of relationship
713.	PT Taman Wisata Candi Borobudur, Prambanan & Ratu Boko	State Owned Enterprise
714.	PT Taspen	State Owned Enterprise
715.	PT Telekomunikasi Indonesia (PT Telkom)	State Owned Enterprise
716.	PT Varuna Tirta Prakasya	State Owned Enterprise
717.	PT Virama Karya	State Owned Enterprise
718.	PT Waskita Karya	State Owned Enterprise
719.	PT Wijaya Karya	State Owned Enterprise
720.	PT Yodya Karya	State Owned Enterprise
721.	BPJS Kesehatan	Social Security Institution
722.	BPJS Ketenagakerjaan	Social Security Institution
723.	PT Indonesia Infrastruktur Finance	Financial Institution
724.	PT Penjaminan Infrastruktur Indonesia	Financial Institution
725.	PT Sarana Multi Infrastruktur	Financial Institution
726.	PT Sarana Multigriya Finansial	Financial Institution
727.	Lembaga Pembiayaan Ekspor Indonesia	Financial Institution

Nature of transactions with government related entities are current accounts with other bank, placements with other banks, marketable securities, government bonds, other receivables - trade transaction, derivative receivables, loans, consumer financing receivables, acceptance receivables, derivative payables, deposit from customers, deposits from other bank, acceptance payables, liabilities on securities sold under agreements to repurchase, debt securities issued, fund borrowings, subordinated loans and subordinated debt, unused loan facility, bank guarantees, irrevocable letters of credit and standby letters of credit.

In the ordinary course of its business, the Group also purchases or pays for services, such as telecommunication expense, utility expense and other expenses to government related entities.

· **Transactions with management and key personnel of Bank Mandiri**

Total gross salaries and allowances, bonus and tantiem, long-term employment benefits of the Boards of Commissioners, Directors, Audit Committee and Risk Monitoring, Sharia Supervisory Board and Senior Executive Vice President and Senior Vice President (Note 50) for the year ended December 31, 2020 and 2019 amounted to Rp1,442,558 and Rp1,380,804 or 3,55% and 3,45% of total consolidated operating expenses - others, respectively.



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**57. RELATED PARTY TRANSACTIONS (continued)**

Details of significant transactions with related parties as of December 31, 2020 and 2019, are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<b><u>Assets</u></b>		
Current accounts with other banks (Note 5a)	11,801	4,493
Placements with Bank Indonesia and other banks (Note 6b)	3,132,589	1,499,924
Marketable securities (Note 7a) <sup>*)</sup>	25,953,136	27,377,257
Government bonds (Note 8)	159,690,627	129,000,300
Other receivables - trade transactions (Note 9a)	14,016,134	14,186,619
Derivative receivables (Note 11)	199,976	18,817
Loans (Note 12A.a)	174,023,228	171,384,121
Consumer financing receivables (Note 13a)	6,867	6,758
Acceptance receivables (Note 15a)	1,023,452	1,198,875
Investments in shares (Note 16a)	1,799,313	112,298
Total assets with related parties	<u>379,857,123</u>	<u>344,789,462</u>
<b>Total consolidated assets</b>	<b><u>1,429,334,484</u></b>	<b><u>1,318,246,335</u></b>
<b>Percentage of total assets with related parties to total consolidated assets</b>	<b><u>26.58%</u></b>	<b><u>26.16%</u></b>
<b><u>Liabilities</u></b>		
Deposits from customers		
Demand deposits and <i>wadiah</i> demand deposits (Note 21a)	89,393,039	60,118,497
Saving deposits and <i>wadiah</i> saving deposit (Note 22a)	3,808,514	3,307,760
Time deposits (Note 23a)	48,559,521	34,132,147
Deposits from other banks		
Demand deposits, <i>wadiah</i> demand deposit and saving deposits (Note 24a)	49,162	148,557
Derivative payables (Note 11)	131,127	42,505
Acceptance payables (Note 29a)	1,745,968	2,076,355
Debt securities issued (Note 30)	10,091,100	10,696,100
Fund borrowings (Note 36)	1,168,181	984,974
Subordinated loans and marketable securities (Note 37)	107,750	127,750
Total liabilities with related parties	<u>155,054,362</u>	<u>111,634,645</u>
<b>Total consolidated liabilities</b>	<b><u>1,151,267,847</u></b>	<b><u>1,025,749,580</u></b>
<b>Percentage of total liabilities with related parties to total consolidated liabilities</b>	<b><u>13.47%</u></b>	<b><u>10.88%</u></b>
<b>Temporary <i>syirkah</i> funds (Note 38)</b>	<b><u>4,155,630</u></b>	<b><u>1,733,920</u></b>
<b>Percentage to total temporary <i>syirkah</i> funds</b>	<b><u>4.93%</u></b>	<b><u>2.08%</u></b>

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**57. RELATED PARTY TRANSACTIONS (continued)**

Details of significant transactions with related parties as of December 31, 2020 and 2019, are as follows (continued):

	Years ended December 31,	
	2020	2019
<b><u>Statement of profit or loss and other comprehensive income</u></b>		
Interest income from government bonds and treasury bills (Note 41)	7,646,185	6,951,891
<b>Percentage to interest income and sharia Income</b>	<b>8.76%</b>	<b>7.60%</b>
Interest expense from fund borrowings	20,314	51,349
<b>Percentage to interest expense and sharia expense</b>	<b>0.07%</b>	<b>0.16%</b>
<b>Years ended December 31,</b>		
	<b>2020</b>	<b>2019</b>
Commitments and contingencies (Note 55)		
Unused loan facilities	60,726,765	67,895,741
Outstanding irrevocable letters of credit	7,224,901	7,689,574
Guarantees issued in the form of bank guarantee	19,745,670	18,426,336
Guarantees issued in the form of Standby letters of credit	6,208,229	9,253,918
Total commitments and contingencies for related parties	93,905,565	103,265,569
<b>Total consolidated commitments and contingencies - net</b>	<b>252,938,820</b>	<b>284,171,081</b>
<b>Percentages of total commitments and contingencies with related parties to consolidated assets</b>	<b>37.13%</b>	<b>36.34%</b>

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## **58. SEGMENT INFORMATION**

The Group has presented its operating segments in a manner consistent with the internal reporting provided for operational decision making (refer to Note 2ak).

The following describes the operations in each reportable segments as of December 31, 2020 and 2019:

- Corporate Banking : including loans, customer deposits and other transactions belong to corporate customers, including state-owned and private enterprises.
- Commercial Banking : including loans to medium scale and automotive sector, customer deposits and other transactions belong to commercial custom.
- Government Institutional : including loans, costumer deposits and other transactions belong to government entities and pension plan of state-owned enterprises.
- Retail Banking (consists of consumer/individual segment and micro & business and wealth segment) : including loans granted to business entities or individuals with micro-scale to small, products or other services such as deposits, payment transactions and other transactions belong to micro and small customers also consumer finance loans, including mortgage loans, credit cards and other products and services such as deposits, payment transactions and other transactions belong to individual customers.
- Treasury & International Banking : treasury segment associated with treasury activities of the Bank include foreign exchange, money market, fixed income, international banking business, capital markets and supervision of the Overseas Branches.
- Head Office : mainly managing the assets and liabilities of the Group other than those managed by other operating segments including accepting the cost allocation for the provision of the centralizing services to other segments as well as income/costs that are not allocated to other segments reporting.
- Subsidiary - Sharia : including all transactions conducted by a Subsidiary engaged in sharia banking.
- Subsidiaries - Insurance : including all transactions conducted by Subsidiaries engaged in life insurance, health insurance and general insurance.
- Subsidiary - other than sharia : including all transactions of Subsidiaries engaged in consumer and insurance finance, remittance services, securities and banking.

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**58. SEGMENT INFORMATION (continued)**

December 31, 2020 <sup>1)</sup>											
Description	Corporate Banking	Commercial Banking	Government Institutional	Retail Banking	Treasury & International Banking	Head Office	Subsidiary - sharia	Subsidiaries - insurance	Subsidiaries - other than insurance and sharia	Adjustment and Elimination <sup>2)</sup>	Total
<b>Consolidated statement of profit or loss and other comprehensive income</b>											
Interest and sharia income <sup>3)</sup>	29,626,240	15,379,461	6,117,208	63,457,813	12,188,773	170,765	8,634,480	399,571	6,677,337	(55,330,531)	87,321,117
Interest and sharia expense <sup>3)</sup>	(20,510,964)	(10,035,551)	(4,303,694)	(30,489,152)	(4,712,202)	(121,248)	(2,590,383)	-	(3,422,929)	45,373,135	(30,812,988)
Net interest and sharia income	9,115,276	5,343,910	1,813,514	32,968,661	7,476,571	49,517	6,044,097	399,571	3,254,408	(9,957,396)	56,508,129
Net premium income	-	-	-	-	-	-	-	1,847,604	-	(333,889)	1,513,715
Net interest and sharia and premium income	9,115,276	5,343,910	1,813,514	32,968,661	7,476,571	49,517	6,044,097	2,247,175	3,254,408	(10,291,285)	58,021,844
Other operating income:											
Other fees and commission	1,720,944	523,493	313,678	5,766,754	368,551	2,223,338	1,491,043	-	1,042,468	(506,586)	12,943,683
Other	715,998	155,794	34,308	3,610,703	4,634,194	1,055,694	685,783	1,339,085	3,245,628	(734,988)	14,742,199
Total	2,436,942	679,287	347,986	9,377,457	5,002,745	3,279,032	2,176,826	1,339,085	4,288,096	(1,241,574)	27,685,882
Reversal of/(allowance for) impairment losses on financial assets and others	(3,964,359)	(5,189,375)	230,057	(8,896,630)	(79,821)	(1,510,786)	(1,976,274)	-	(1,352,065)	(156,892)	(22,896,145)
Unrealised gains/(losses) from increase/(decrease) in fair value of policy holders' investment in unit-link contracts	-	-	-	-	-	-	-	12,487	-	-	12,487
Gain on sale of marketable securities and government bonds	-	-	-	-	-	945,801	-	8,222	45,003	-	999,026
Other operating expenses:											
Salaries and employee benefit	(160,129)	(293,755)	(91,955)	(2,440,166)	(130,794)	(10,048,388)	(2,167,489)	(492,300)	(2,279,345)	333,888	(17,770,433)
General and administrative expense	(83,500)	(86,903)	(150,778)	(2,454,719)	(154,689)	(10,403,538)	(1,732,190)	(813,571)	(1,442,828)	-	(17,322,716)
Other	(1,370,120)	(677,782)	(363,535)	(16,661,962)	(337,784)	15,216,576	(416,372)	(1,092,374)	(364,461)	514,172	(5,553,642)
Total	(1,613,749)	(1,058,440)	(606,268)	(21,556,847)	(623,267)	(5,235,350)	(4,316,051)	(2,398,245)	(4,086,634)	848,060	(40,646,791)
Non-operating income/(expense) - net	-	-	-	-	-	220,994	(17,622)	-	(76,289)	(5,345)	121,738
Tax expense	-	-	-	-	-	(4,840,145)	(476,488)	(147,815)	(187,969)	-	(5,652,417)
<b>Net income</b>	<b>5,974,110</b>	<b>(224,618)</b>	<b>1,785,289</b>	<b>11,892,641</b>	<b>11,776,228</b>	<b>(7,090,937)</b>	<b>1,434,488</b>	<b>1,060,909</b>	<b>1,884,550</b>	<b>(10,847,036)</b>	<b>17,645,624</b>
<b>Net income attributable to:</b>											
Noncontrolling interest	-	-	-	-	-	-	-	-	-	-	526,371
Parent Entity	-	-	-	-	-	-	-	-	-	-	17,119,253
<b>Consolidated statement of financial position</b>											
Loans - gross	309,632,987	156,501,772	24,577,377	262,713,556	8,620,596	1,557,128	83,222,876	-	25,902,445	(2,583,272)	870,145,465
Total assets	322,800,047	135,172,905	25,593,355	255,575,245	235,229,615	234,674,274	126,907,940	39,791,921	68,204,436	(14,615,254)	1,429,334,484
Demand deposits and wadiah demand deposits	(120,560,259)	(47,216,651)	(42,933,853)	(68,831,715)	(4,443,589)	-	(20,875,426)	-	(165,288)	576,490	(304,450,291)
Saving deposits and wadiah saving deposits	(7,086,785)	(8,177,198)	(1,216,337)	(322,109,076)	(109,541)	-	(7,921,251)	-	(4,742,003)	-	(351,362,191)
Time deposits	(36,003,987)	(27,365,141)	(50,424,994)	(167,943,498)	(4,533,682)	-	-	-	(22,735,448)	1,225,470	(307,781,280)
Total deposit from customers	(163,651,031)	(82,758,990)	(94,575,184)	(558,884,289)	(9,086,812)	-	(28,796,677)	-	(27,642,739)	1,801,960	(963,593,762)
Total liabilities	(170,890,842)	(85,055,589)	(95,147,753)	(560,828,662)	(17,178,819)	(104,237,566)	(31,734,327)	(35,497,519)	(56,809,925)	6,113,155	(1,151,267,847)

<sup>1)</sup> In accordance with operating segments of Bank Mandiri (Note 2ak).

<sup>2)</sup> Include component of internal transfer pricing among operating segments.

<sup>3)</sup> Include elimination of internal transfer pricing or reclassification among operating segments and elimination for Subsidiaries.

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**58. SEGMENT INFORMATION (continued)**

December 31, 2019 <sup>1)</sup>											
Description	Corporate Banking	Commercial Banking	Government Institutional	Retail Banking	Treasury & International Banking	Head Office	Subsidiary - sharia	Subsidiaries - insurance	Subsidiaries - other than insurance and sharia	Adjustment and Elimination <sup>2)</sup>	Total
<b>Consolidated statement of profit or loss and other comprehensive income</b>											
Interest and sharia income <sup>3)</sup>	31,508,487	15,792,654	6,138,427	67,377,512	10,437,527	156,478	8,417,748	397,436	6,717,915	(55,419,094)	91,525,090
Interest and sharia expense <sup>3)</sup>	(22,974,579)	(11,210,249)	(4,693,246)	(31,674,017)	(5,531,012)	(211,111)	(3,014,676)	-	(3,399,793)	50,623,781	(32,084,902)
Net interest and sharia income	8,533,908	4,582,405	1,445,181	35,703,495	4,906,515	(54,633)	5,403,072	397,436	3,318,122	(4,795,313)	59,440,188
Net premium income	-	-	-	-	-	-	-	2,118,647	-	(311,144)	1,807,503
Net interest and sharia and premium income	8,533,908	4,582,405	1,445,181	35,703,495	4,906,515	(54,633)	5,403,072	2,516,083	3,318,122	(5,106,457)	61,247,691
Other operating income:											
Other fees and commission	1,967,111	693,043	379,279	6,265,331	339,521	2,427,708	1,783,982	-	838,445	(477,985)	14,216,435
Other	291,177	111,156	11,010	3,916,018	4,004,581	1,409,145	201,389	1,103,063	1,682,249	(455,825)	12,273,963
Total	2,258,288	804,199	390,289	10,181,349	4,344,102	3,836,853	1,985,371	1,103,063	2,520,694	(933,810)	26,490,398
Reversal of/(allowance for) impairment losses on financial assets and others	(1,214,279)	(3,739,769)	(3,998)	(5,622,102)	(1,635)	716,455	(1,530,499)	-	(674,616)	(2,020)	(12,072,463)
Unrealised gains/(losses) from increase/(decrease) in fair value of policy holders' investment in unit-link contracts	-	-	-	-	-	-	-	5,726	2,479	-	8,205
Gain on sale of marketable securities and government bonds	-	-	-	-	-	793,519	-	23,991	36,340	-	853,850
Other operating expenses:											
Salaries and employee benefit	(168,222)	(278,299)	(186,223)	(2,503,962)	(132,064)	(9,634,860)	(2,084,091)	(455,351)	(2,089,118)	311,144	(17,221,046)
General and administrative expense	(121,537)	(101,670)	(533,124)	(2,762,435)	(126,655)	(10,085,379)	(1,687,202)	(805,174)	(1,411,877)	-	(17,635,053)
Other	(256,227)	(123,402)	(151,221)	(1,332,411)	(301,907)	(1,892,054)	(321,362)	(1,093,382)	(247,956)	499,854	(5,220,068)
Total	(545,986)	(503,371)	(870,568)	(6,598,808)	(560,626)	(21,612,293)	(4,092,655)	(2,353,907)	(3,748,951)	810,998	(40,076,167)
Non-operating income/(expense) - net	-	-	-	-	-	57,594	(50,285)	-	(17,383)	-	(10,074)
Tax expense	-	-	-	-	-	(6,980,790)	(439,972)	(178,279)	(386,807)	-	(7,985,848)
<b>Net income</b>	<b>9,031,931</b>	<b>1,143,464</b>	<b>960,904</b>	<b>33,663,934</b>	<b>8,688,356</b>	<b>(23,243,295)</b>	<b>1,275,032</b>	<b>1,116,677</b>	<b>1,049,878</b>	<b>(5,231,289)</b>	<b>28,455,592</b>
Net income attributable to:											
Noncontrolling interest	-	-	-	-	-	-	-	-	-	-	973,459
Parent Entity	-	-	-	-	-	-	-	-	-	-	27,482,133
<b>Consolidated statement of financial position</b>											
Loans - gross	329,763,941	151,424,144	27,027,984	275,953,020	6,820,070	1,361,958	75,173,775	-	20,852,431	(2,542,086)	885,835,237
Total assets	354,295,785	143,398,957	27,651,440	277,201,816	149,188,110	176,947,767	112,298,325	34,969,777	56,556,392	(14,262,034)	1,318,246,335
Demand deposits and wadiah demand deposits	(100,667,400)	(41,898,718)	(25,459,231)	(60,358,283)	(8,013,579)	-	(11,510,301)	-	(376,625)	839,870	(247,444,267)
Saving deposits and wadiah saving deposits	(7,451,380)	(10,698,060)	(1,072,276)	(296,554,444)	(77,073)	-	(5,126,726)	-	(3,508,113)	-	(324,488,072)
Time deposits	(38,735,792)	(23,067,620)	(45,243,111)	(150,470,646)	(5,337,928)	-	-	-	(16,259,914)	939,005	(278,176,006)
Total deposit from customers	(146,854,572)	(75,664,398)	(71,774,618)	(507,383,373)	(13,428,580)	-	(16,637,027)	-	(20,144,652)	1,778,875	(850,108,345)
Total liabilities	(152,499,274)	(78,851,135)	(72,022,009)	(509,673,421)	(20,104,685)	(101,072,006)	(19,433,761)	(30,741,502)	(47,595,584)	6,243,797	(1,025,749,580)

<sup>1)</sup> In accordance with operating segments of Bank Mandiri (Note 2ak).

<sup>2)</sup> Including component of internal transfer pricing among operating segments.

<sup>3)</sup> Including elimination of internal transfer pricing or reclassification among operating segments and elimination for Subsidiaries.

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**58. SEGMENT INFORMATION (continued)**

Geographical segment

The principal operations of the Group is managed in Indonesia, Asia (Singapore, Hong Kong, Timor Leste, Shanghai, Malaysia), Western Europe (England) and Cayman Islands, Information concerning the geographical segments of the Group is set out in the table below:

Information on geographical segment for the year ended December 31, 2020:

	Indonesia	Asia	West Europe	Cayman Islands	Consolidated
<b>Consolidated statement of profit or loss and other comprehensive income</b>					
Interest and sharia income	85,524,740	1,404,667	71,796	319,914	87,321,117
Interest and sharia expense	(30,223,503)	(508,284)	(20,449)	(60,752)	(30,812,988)
Net interest and sharia income	55,301,237	896,383	51,347	259,162	56,508,129
Net premium income	1,513,715	-	-	-	1,513,715
Net interest and sharia and premium income	56,814,952	896,383	51,347	259,162	58,021,844
Other operating income:					
Others fees and commissions	12,666,452	244,123	-	33,108	12,943,683
Others	14,451,651	159,239	5,127	126,182	14,742,199
Total	27,118,103	403,362	5,127	159,290	27,685,882
(Allowance for)/reversal of impairment losses on financial assets and others	(22,927,027)	(70,526)	939	100,469	(22,896,145)
Unrealised gains/(losses) from increase/(decrease) in fair value of marketable securities, government bonds, and policyholders' investment in unit-link contracts	12,487	-	-	-	12,487
Gain on sale of marketable securities and government bonds	886,200	102,717	-	10,109	999,026
Other operating expenses:					
Salaries and employee benefit	(17,545,262)	(186,744)	(29,710)	(8,717)	(17,770,433)
General, administrative expenses and others	(22,695,178)	(139,520)	(20,834)	(20,826)	(22,876,358)
Total	(40,240,440)	(326,264)	(50,544)	(29,543)	(40,646,791)
Non operating income/(expense) - net	84,906	57,443	-	(20,611)	121,738
Tax expense	(5,499,212)	(151,548)	(1,657)	-	(5,652,417)
<b>Net income</b>	<b>16,249,969</b>	<b>911,567</b>	<b>5,212</b>	<b>478,876</b>	<b>17,645,624</b>
<b>Net income attributable to:</b>					
Noncontrolling interest	-	-	-	-	526,371
Parent Entity	-	-	-	-	17,119,253
<b>Consolidated statement of financial position</b>					
Loans	830,943,451	31,629,367	240,030	7,332,617	870,145,465
Total assets	1,366,238,494	48,460,937	2,178,249	12,456,804	1,429,334,484
Demand deposits and wadiah demand deposits	(300,209,822)	(4,179,019)	(61,450)	-	(304,450,291)
Saving deposits and wadiah saving deposits	(348,882,679)	(2,479,512)	-	-	(351,362,191)
Time deposits	(306,246,981)	(1,534,299)	-	-	(307,781,280)
Total deposit from customers	(955,339,482)	(8,192,830)	(61,450)	-	(963,593,762)
Total liabilities	(1,089,240,693)	(48,228,651)	(1,432,004)	(12,366,499)	(1,151,267,847)

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**58. SEGMENT INFORMATION (continued)**

Geographical segment (continued)

Information on geographical segment for the year ended December 31, 2019:

	Indonesia	Asia	West Europe	Cayman Islands	Consolidated
<b>Consolidated statement of profit or loss and other comprehensive income</b>					
Interest and sharia income	89,829,280	1,192,514	92,331	410,965	91,525,090
Interest and sharia expense	(31,302,122)	(644,100)	(41,572)	(97,108)	(32,084,902)
Net interest and sharia income	58,527,158	548,414	50,759	313,857	59,440,188
Net premium income	1,807,503	-	-	-	1,807,503
Net interest and sharia and premium income	60,334,661	548,414	50,759	313,857	61,247,691
Other operating income:					
Others fees and commissions	13,891,091	280,996	-	44,348	14,216,435
Others	11,989,798	168,859	5,671	109,635	12,273,963
Total	25,880,889	449,855	5,671	153,983	26,490,398
(Allowance for)/reversal of impairment losses on financial assets and others	(12,277,257)	91,045	-	113,749	(12,072,463)
Unrealised gains/(losses) from increase/(decrease) in fair value of marketable securities, government bonds, and policyholders' investment in unit-link contracts	8,205	-	-	-	8,205
Gain on sale of marketable securities and government bonds	704,066	149,784	-	-	853,850
Other operating expenses:					
Salaries and employee benefit	(17,010,452)	(173,854)	(23,597)	(13,143)	(17,221,046)
General, administrative expenses and others	(22,674,170)	(132,100)	(20,779)	(28,072)	(22,855,121)
<b>Total</b>	<b>(39,684,622)</b>	<b>(305,954)</b>	<b>(44,376)</b>	<b>(41,215)</b>	<b>(40,076,167)</b>
Non operating income/(expense) - net	(82,988)	99,027	-	(26,113)	(10,074)
Tax expense	(7,846,179)	(137,519)	(2,150)	-	(7,985,848)
<b>Net income</b>	<b>27,036,775</b>	<b>894,652</b>	<b>9,904</b>	<b>514,261</b>	<b>28,455,592</b>
<b>Net income attributable to:</b>					
Noncontrolling interest	-	-	-	-	973,459
Parent Entity	-	-	-	-	27,482,133
<b>Consolidated statement of financial position</b>					
Loans	850,428,612	28,276,194	536,120	6,594,311	885,835,237
Total assets	1,260,518,160	41,619,677	2,585,317	13,523,181	1,318,246,335
Demand deposits and <i>wadiah</i> demand deposits	(241,672,996)	(5,490,921)	(280,350)	-	(247,444,267)
Saving deposits and <i>wadiah</i> saving deposits	(322,075,799)	(2,412,273)	-	-	(324,488,072)
Time deposits	(274,576,454)	(3,599,552)	-	-	(278,176,006)
Total deposit from customers	(838,325,249)	(11,502,746)	(280,350)	-	(850,108,345)
Total liabilities	(968,855,444)	(41,562,216)	(1,861,378)	(13,470,542)	(1,025,749,580)

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**59. CAPITAL ADEQUACY RATIO**

Capital risk management

Bank Mandiri's capital policy is prudently complied with the regulatory capital requirement, diversifying its capital resources to anticipate long-term strategic plans and efficiently allocate capital to business segments that have the potential to provide an optimal risk-return profile, including placement and investment in Subsidiaries in order to meet stakeholder's expectations including investors and regulators.

Bank Mandiri ensures it has sufficient capital to meet credit risk, market risk and operational risk, both in supporting business growth in normal conditions and anticipating stress conditions.

The Capital Adequacy Ratio (CAR) calculated in accordance with FSA's Regulation No. 34/POJK.03/2016 dated September 22, 2016 on Amendments to the FSA's Regulation No. 11/POJK.03/2016 regarding the Minimum Capital Requirement for Commercial Banks.

For Risk Weighted Assets, Bank uses Basel II Standardised Approach<sup>1</sup> for credit risk and has included external rating component, In addition, the Bank has gradually carried out a simulation using Internal Ratings-Based Approach, For Market Risk, the Bank uses Basel II Standardised Measurement Method<sup>2</sup> and internally uses Value at Risk. For Operational Risk, the Bank refers to Basel II Basic Indicator Approach<sup>3</sup>.

The calculation of Risk Weighted Assets (Credit, Operational and Market) and Capital Adequacy Ratio (CAR) (Bank Mandiri only) as of December 31, 2020 and 2019 are as follows:

	<b>Years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Capital:		
Core capital	155,646,179	179,161,161
Supplementary capital	9,011,176	9,667,098
<b>Total capital for credit risk, operational risk and market risk</b>	<b>164,657,355</b>	<b>188,828,259</b>
Risk-Weighted Assets for credit	688,150,152	731,563,854
Risk-Weighted Assets for operational	128,716,464	123,291,988
Risk-Weighted Assets for market	10,594,562	28,049,779
<b>Total Risk-Weighted Assets for credit, operational and market risk</b>	<b>827,461,178</b>	<b>882,905,621</b>

1 Referring to SE OJK No. 42/SEOJK.03/2016 regarding Guidelines for Calculation of Risk-Weighted Assets ("RWA") for Credit Risk by Using a Standard Approach, SE OJK No. 48/SEOJK.03/2017 regarding Guidelines for Calculation of net receivables for derivative transactions in Calculating Risk Weighted Assets for Credit Risk by Using a Standard Approach and SE OJK Approach No. 11/SEOJK.03/2018 regarding Amendments to SEOJK No. 42/SEOJK.03/2016 regarding Guidelines for Calculation of RWA for Credit Risk by Using a Standard Approach.

2 Referring to SE OJK No. 38/SEOJK.03/2016 regarding Guidelines for Using Standard Methods in Calculating Minimum Capital Requirements for Commercial Banks to calculate market risk.

3 Referring to SE OJK No. 24/SEOJK.03/2016 regarding Risk-Weighted Assets Calculation for Operational Risk by Using a Basic Indicator Approach.



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**59. CAPITAL ADEQUACY RATIO (continued)**

Capital risk management (continued)

	Years ended December 31,	
	2020	2019
CAR for core capital	18.81%	20.29%
CAR for credit risk	23.93%	25.81%
CAR for credit risk and operational risk	20.16%	22.09%
CAR for credit risk and market risk	23.56%	24.86%
CAR for credit risk, operational risk and market risk	19.90%	21.39%
Minimum CAR core capital	6.00%	6.00%
Minimum CAR based on risk profile <sup>4</sup>	9.83%	9.59%

The Bank's capital adequacy ratio on a consolidated basis as of December 31, 2020 and 2019 including credit, operational and market risk are 19.48% and 20.90%, respectively, taking into account credit and operational risk are 19.71% and 21.53%, respectively.

**60. NON-PERFORMING EARNING ASSETS RATIO, ALLOWANCE FOR IMPAIRMENT LOSSES ON EARNING ASSETS FULFILLMENT RATIO, SMALL-SCALE AND MICRO LOANS RATIO AND LEGAL LENDING LIMIT**

Non-performing earning assets to total earning assets ratio (including off-balance sheet) as of December 31, 2020 and 2019 (Bank Mandiri only) are 1.87% and 1.65%, respectively. For Non-Performing Loan (NPL) ratio refer to Note 12.A.d.

The ratio of total allowance for impairment losses on earning assets provided by Bank Mandiri as of December 31, 2020 and 2019 compared to the minimum allowance for impairment losses on earning assets under the guidelines prescribed by Bank Indonesia as of December 31, 2020 and 2019 are 178.93% and 107.56%, respectively.

The ratio of small-scale and micro business loans to total loans provided by Bank Mandiri for the year ended as of December 31, 2020 and 2019 are 7.18% and 6.23%, respectively.

The Legal Lending Limit (LLL) as of December 31, 2020 and 2019 did not exceed the LLL regulation for related parties and third parties. LLL is calculated in accordance with Bank Indonesia's Regulation No. 7/3/PBI/2005 dated January 20, 2005 regarding Legal Lending Limit for Commercial Bank as amended in Bank Indonesia Regulation No. 8/13/PBI/2006 dated October 5, 2006.

<sup>4</sup> The minimum CAR for the main risks of tier 1 and additional risks of tier 2 (capital add-on) is based on the Internal Capital Adequacy Assessment Process (ICAAP) method.

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## 61. CUSTODIAN SERVICES AND TRUST OPERATIONS

### Custodian services

Bank Mandiri started providing custodian services since 1995, The operating license for custodian services was renewed based on Decree of Capital Market and Financial Institutions Supervisory Board No. KEP.01/PM/Kstd/1999 dated October 4, 1999. Bank Mandiri's Custodian, which is the part of International Banking and Financial Institution Group, provides a full range of custodian services as follows:

- a. Settlement and handling services for script and scripless trading transactions;
- b. Safekeeping and administration of marketable securities and other valuable assets;
- c. Corporate action services which starting from administrating the safe keeping of customer's ownership right on marketable securities until that right become effective in the customer's account;
- d. Proxy services for its customers' in General Meeting of Shareholders and General Meeting of bond holders;
- e. Reporting and information submission related to the customers' marketable securities and/or other valuable assets which is kept and administred by Bank Mandiri's custodian.

In order to fulfill the investors' needs in investing on various marketable securities instruments, Bank Mandiri's Custodian facilitate it through provisions of various services as follow:

- a. General custodian which provide services for investors who are investing in capital market or money market in Indonesia;
- b. Local custodian for American Depository Receipts (ADR) and Global Depository Receipts (GDR) which is needed by the investors to convert the companies' shares which are listed in local and overseas stock exchange (dual/multi listing);
- c. Sub-registry which provide services for investors that conduct transaction and investment in Government Bonds (either in form of Bonds or Treasury Bills) and Bank Indonesia Certificates (Sertifikat Bank Indonesia (SBI));
- d. Custodian for mutual funds and discretionary fund issued and managed by investment manager;
- e. Custodian of Euroclear for customer who is conducting investment and settlement of securities transactions listed in overseas market and recorded in Euroclear Operations Centre, Brussels, Bank Mandiri's Custodian is a direct member of Euroclear;
- f. Securities lending and borrowing as services for customers who want to maximise their investment return by lending their securities to securities companies through intermediary and guarantee of PT Kliring Penjaminan Efek Indonesia (PT KPEI);
- g. Custodian for Exchange Traded Fund (ETF) which issued and managed by an investment manager where the unit of participation will be traded on stock exchange;
- h. Custodian for Asset Backed Securities (*Efek Beragun Aset* (EBA)) in the form of collective investment contract (*Kontrak Investasi Kolektif* (KIK)) which was issued by the investment manager and custodian bank in relation to asset securitization transactions owned by banks or other financial institutions.

As of December 31, 2020 and 2019, Bank Mandiri's Custodian Operations has 7,850 and 4,916 customers, respectively, which consist of pension funds, insurance companies, banks, institution, securities companies, mutual funds, other institution/legal entity and individual customer. Total portfolio by currencies as of December 31, 2020 are amounted to Rp578,894,001, USD2,041,556,439 (full amount), and EUR441,100 (full amount), and December 31, 2019 are amounted to Rp525,576,046, USD2,136,759,816 (full amount), and EUR141,100 (full amount) (unaudited). Assets kept in custodian services activities are not included in the consolidated financial statement of Bank Mandiri and its Subsidiaries.

Bank Mandiri has insured the customer's portfolio against potential losses from safekeeping and transfer of securities in accordance with the FSA's regulation.

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**61. CUSTODIAN SERVICES AND TRUST OPERATIONS (continued)**

Trustee Agent Operations

Bank Mandiri rendered Trustee Agent Operations Services since 1983, The operating license for trust services was renewed and re-registered in Decree of Capital Market and Financial Institutions Supervisory Board based on Decision Letter No. 17/STTD-WA/PM/1999 dated October 27, 1999. The type of services are as follows:

- a. Trustee agent for bonds and MTN
- b. Escrow agent
- c. Paying agent
- d. Initial Public Offering/IPO Receiving Bank
- e. Security agent

As of December 31, 2020, Bank Mandiri manage 104 customers with the total value of bonds and MTN issued amounted to Rp98,653,275 and as of December 31, 2019 Bank Mandiri manage 117 customers with the total value of bonds and MTN issued amounted to Rp115,589,750,

Both Bank Mandiri's Trustee operations and Custodian Services have received Quality Certification ISO 9001:2015.

Trust services

Bank's trust service is the custodian services of customer's assets portfolio (the settlor) based on a written agreement between the Bank as the Trustee and customer's for the benefits of beneficiary.

Bank Mandiri has obtained the license principle and confirmation letter for the Trustee services based on Bank Indonesia's Letter No. 15/30/DPB1/PB1-1 dated April 26, 2013 and No. 15/32/DPB1/PB1-1 dated August 28, 2013.

Functions of Mandiri trust service are:

- a. "Paying Agent" which receives and transfers money and/or funds, and record cash in and cash out for and on behalf of the clients (the settlor),
- b. "Investment Agent" involves in placing, converting, and administering the placement of funds for and on behalf of the clients (the settlor),

Bank's trust service include managing customers from various segments, including oil & gas company, corporate and commercial, non-profit organisation customers for activities among others, distribution of gas sales results, sale and purchase/acquisition of companies, and pooling of funds for foreign aid and others.

**62. CHANNELING LOANS**

Channeling loans based on sources of funds and economic sectors are as follows:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Government:		
Agriculture	240,178	259,660
Manufacturing	954	953
	<b>241,132</b>	<b>260,613</b>

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## **62. CHANNELING LOANS (continued)**

Bank Mandiri has been appointed to administer the loans received by the Government of the Republic of Indonesia through several existing schemes as follows:

1. Channeling loans from the Ministry of Finance in various currencies from several bilateral and multilateral financial institutions to finance Government projects through State Owned Enterprises, Region Owned Enterprises and Regional Government, such as: Asian Development Bank, Banque Français & Credit National, Barclays, BNP Paribas, BNP Paribas & CAI Belgium, Calyon & BNP Paribas, CDC NES, Export Finance and Insurance Corporation (EFIC) Australia, IDA, International Bank for Reconstruction and Development, Japan Bank for International Cooperation, Kreditanstalt Fur Wiederaufbau, Netherlands Urban Sector Loan & De Nederlanse Inveseringsbank voor Ontwikkelingslanden NV, Swiss Government, RDI - KI, Spain, UB Denmark, US Export Import Bank and Overseas Economic Cooperation Fund. However, based on the Regulation of the Minister of Finance No. 40/PMK.05/2015 dated March 6, 2015, stated starting from October 1, 2015 the administration of overseas loans are managed by the Ministry of Finance, except loans in the form of BI Project Aid.
2. Channeling loans from former of PIR Plantations to farmers for community plantation development which includes the Nucleus Estate Smallholder (NES) ADB project, Special PIR and Local PIR. Bank Mandiri as the administrator for the repayment of receivables to PIR Plantation Farmers, whereas the Ministry of Finance is managing the repayment of receivables to farmers and the Ministry of Agriculture is managing the technical execution of the PIR Plantation Project, The distribution of PIRBUN loans has stopped.
3. Channeling loans of Industrial Plantation Forest Reforestation (DR HTI) from the Ministry of Environment and Forestry (KLHK), Since 1999, the Ministry of Environment and Forestry has stopped distributing the Reforestation Loans for Industrial Plantation Forests, therefore the DRHTI loans which currently managed by PT Bank Mandiri (Persero) Tbk are existing DRHTI Loans which were inherited from ex legacy Bank,

Channeling loans are not presented in the consolidated statement of financial position since the credit risk are not borne by the Bank and its Subsidiaries, In accordance to the agreement mentioned above, Bank Mandiri is responsible to collect from the debtors and made payments to the Government not only the principal, but also the interest and other charges including manage loan documentation, As compensation, Bank Mandiri receives banking fee which varies from 0.50% - 2%.

## **63. RISK MANAGEMENT**

Bank Mandiri implements independent risk management and according to FSA's and Bank Indonesia's regulation and international banking best practices. Bank Mandiri adopts the Enterprise Risk Management (ERM) concept as comprehensive and integrated risk management strategy which is customised with the Bank's business and operational needs. ERM implementation provides value added benefits to the Bank's and its stakeholders.

ERM is a risk management process embedded in business strategies and operations that are integrated in the Bank's daily business decision making processes. With ERM, the Bank establishes a systematic and comprehensive risk management framework (credit risk, market risk and operational risk) by connecting the capital management and business processes with the risks in holistic approach. In addition, ERM also applies integrated risk management for the Subsidiaries, to maximise the effectiveness of supervision and value creation to the Bank based on FSA's Regulation No. 17/POJK.03/2014 regarding implementation of integrated risk management for financial conglomerates which are appropriate for the whole financial industries.

The Bank's risk management framework is based on FSA's Regulation No. 18/POJK.03/2016 regarding Risk Management Implementation for Commercial Banks. The Bank's risk management framework is included in Risk Management Policy (KMNR), which consists of various policies to support risk management function as a business enabler for business growth within the corridor of prudential principle by adopting the ideal risk management processes (identification - measurement - monitoring - risk control) at all organisation levels.

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**63. RISK MANAGEMENT (continued)**

As part of the ERM process, Bank Mandiri applies a Risk Appetite Statement (RAS), RAS represents, type and level of risk that the Bank is able to take/face in order to achieve business objectives. The application of RAS is also synchronised with monitoring of Bank Mandiri's Recovery Plan indicators (refer to POJK No. 14/POJK.03/2017 regarding Bank Systemic Recovery Plans). The Bank Mandiri Risk Appetite Statement is as follows:

Dimensions	Statement
Rentability	§ Maintain a stable and sustainable profit in accordance with the level of risk taken
Capital	§ Maintain capital in accordance with regulatory and internal requirements
Likuidity and Funding	§ Maintaining a strong liquidity position under a variety of stressful conditions
	§ Maintain stable and well-diversified funding
Credit Risk	§ Maintain asset quality
	§ Maintain credit concentraton both in the industrial sector and counterparty
Market Risk	§ Maintain market risk that arises from both the trading book and th banking book and is subject to low risk exposure
	§ There is a low appetite for exotic derivative transactions
Operational Risk	§ Intolerance to fraud, conclusion, theft, and issues related to IT system and data confidentiality
	§ Medium appetite for operational loss arising from business transformation and system implementation
Legal & Compliance Risks	§ Intolerance to serious violations or not following the mandatory regulatory rules, laws and regulations
Reputation Risk	§ Intolerance to activities that will have a negative impact on the bank and its products
	§ Zero appetite for forbidden transactions

All risks that faced by the Bank are measured and monitored on regular basis through internal measurement method quarterly risk profile report and semiannually Bank's soundness report in order to describe all the embedded risks in the Bank's business activities, including consolidated Subsidiaries risks.

Active supervision by the Board of Directors and the Board of Commissioners on risk management activities, directly and indirectly, is implemented through the establishment of committees at the level of the Board of Commissioners which are Risk Monitoring Committee, Integrated Governance Committee, Remuneration and Nomination Committee and Audit Committee. The Executive Committee under the supervision of the Board of Directors consists of Asset & Liability Committee (ALCO), Risk Management & Credit Policy Committee (RMPC), Integrated Risk Management Committee (IRC), Capital & Subsidiaries Committee (CSC), Business Committee, Information Technology Committee (ITC), Human Capital Policy Committee (HCPC), Policy & Procedure Committee (PPC) and Credit Committee.

From 9 Executive Committees supervised under Board of Directors, 4 committees directly involved with risk management, i,e RMPC, IRC, ALCO and PPC. All functions and key responsibilities are as follows:

1. Risk Management & Credit Policy Committee (RMPC)  
Discuss and recommends loan regulation as well as monitoring risk profile and all risks related to the Bank.

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**63. RISK MANAGEMENT (continued)**

All functions and key responsibilities are as follows (continued):

2. Integrated Risk Committee (IRC)  
Provide recommendation to the Board of Directors in order to develop integrated risk management regulations and revised or refined the standards for integrated risk management based on the results of evaluation process. Bank Mandiri as present entity has formed IRC committee as an application of PJOK No. 17/PJOK.03/2014 about integrated risk management for financial Group. Member of IRC includes Boards of Directors of parent entity and Subsidiaries.
3. Asset & Liabilities Committee (ALCO)  
Manages Bank's strategic management of asset and liabilities, interest rate, liquidity and other areas related to the asset and liability management of the Bank. Furthermore, ALCO has function and responsibility to monitor risk indicator and financial Bank which state the recovery plan and also recommend recovery plan activation in which this indicator has crossed the line.
4. Policy & Procedure Committee (PPC)  
Manages synchronization regulation and operational procedures to be in line with the Bank's regulation.

Committees formed under Board of Commissioners including Risk Monitoring Committee, Integrated Governance Committee and Audit Committee, which have task and responsibility to review and evaluate the policy and implementation of Bank's risk management, as well as providing inputs and recommendations to the Board of Commissioners for their monitoring of rules.

At operational level, the Directorate of risk management together with business units are responsible to manage 10 risks faced by the Bank and Subsidiaries, also discuss and propose a guidance for risk management, The organization structure of risk management consist of Risk Taking Unit and Independent Risk Management Unit. Risk Taking Unit who run the four eye principles which are Wholesale Risk and Retail Risk Independent Risk Management Unit who responsible directly to Risk Management Director, which are Credit Portfolio Risk Group, Market Risk Group, Operational Risk Group, Credit Control & Supervision Group and Policy & Procedure Group.

**A. Credit risk**

The Bank's credit risk management is mainly focused to improve the balance between prudent loan expansion and prudent loan management to prevent quality impairment (downgrading) to Non Performing Loan (NPL) category and to optimise capital utiyg lisation by identifying business unit, segment, product, region which contributes to value added for the Bank.

The process of managing Bank Mandiri's credit for the wholesale segment begins with setting targets the market through the Portfolio Guidelines which establish Industry Classification (attractive, neutral, selective) and the appropriate industry limits, and select and filter target customers through Industry Acceptance Criteria and Name Clearance, to produce quality debtor pipelines. The next process is to conduct a credit risk assessment using a series of credit risk tools (credit risk rating, spreadsheets, CPA, NAK, etc,) which are then decided by the Authorized Person to Approve Credit (through Credit Committee Meetings) with the four-eyes principle which involve the Business Unit and Credit Risk Management Unit independently.

After the credit disbursement process, credit risk and the potential for debtor failure must always be monitored and detected early (Early Warning Signals), among others by using ALERT (watchlist) tools and if a debtor becomes problematic then an account strategy needs to be done including its collection, recovery and restructuring activities.

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**63. RISK MANAGEMENT (continued)**

A. Credit risk (continued)

For the retail segment, because the nature it is a mass market, then the credit process is carried out more automatically by using a credit risk scorecard, with reference to each Risk Acceptance Criteria for each products, as well as processing through an automated work-flow (loan factory).

The monitoring process is carried out in a portfolio manner through the Portfolio Quality Review, which can be continued with the collection and recovery process for the problematic portion of the portfolio.

To anticipate the deterioration of macroeconomic conditions, a what-if analysis is conducted wholesale and retail portfolios through stress testing using certain several macroeconomics scenarios.

In distributing the credit, Bank Mandiri always prioritize the principle of prudence by placing the credit analysis function which is carried out by independent business units and credit risk units, Bank Mandiri always focus on prudent principal using credit policy which managing end to end credit risks, Operationally, the policy is formalised in Credit Standards Procedures (SPK) and products manual.

To manage concentration risk on debtor level, Bank Mandiri consistently monitor Legal Lending Limit (LLL). In general, loan processing and credit risk management in Bank Mandiri had been performed end to end and integrated with Business Unit, Credit Operation Unit and Credit Risk Management Unit.

The Bank periodically reviews and updates its policies and procedures for credit in general, credit procedure by business segment and tools risk management. These policies and procedures are intended to provide a comprehensive credit risk management guideline for identification, measurement and mitigation of credit risks in the end to end loan acceptance process, start from determine market target, credit analysis, approval, documentation, credit withdrawal, monitoring and settlement process for non-performing/restructuring loans.

To improve the Bank's social role and care for the environmental risk and as an implementation of Good Corporate Governance (GCG), Bank Mandiri has set up a Guideline for Technical Analysis of Environmental and Social in granting of credit which is used as a reference in analysing environmental risk in a credit analysis. This Guideline is in line with Bank Indonesia's Regulation regarding the Quality of Asset Assessment on Commercial Bank regulating that the assessment prospect link with debtor in taking care the environment. Moreover, in order to environment preservation, Bank has already established sustainable financial action plan which stated in FSA's regulation regarding sustainable financial implementation for financial services institution, Issuers, and Public Companies.

In principle, credit risk management is implemented at transactional and portfolio levels. At the transactional level, the Bank has implemented the four-eye principle, which each loan approval involves Business Unit and Credit Risk Management Unit which work independently to achieve objective credit decision. The four-eye principles are executed by Credit Committee according to the authority limit and the loan approval process conducted through Credit Committee Meeting mechanism. Executive Business Officer and Executive Credit Officer as the Credit Committee member, must be highly competent as well as has strong capability and high integrity so that the loan granting process can be performed objectively, comprehensively and prudently. To monitor the performance of the credit authorization holders in approving the loans, the Bank has developed a monitoring database system for the credit authorization holder. By using this system, the Bank can monitor the amount and quality of the loans approved by the credit authorization holders, so that the performance of the Executive Business Officer and Executive Credit Officer can be monitored from time to time.

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**63. RISK MANAGEMENT (continued)**

A. Credit risk (continued)

To mitigate credit risk per debtor, Credit Committee sets loan structure for every debtor including appropriate covenants, which align with debtor's needs and conditions, to ensure loan granting is effective and meet the interest of the Bank and debtor. Guidelines for determining the structure of collateral regarding to credit risk mitigation policy has been regulated in detail according to the SPK (Credit Standard Procedures) for each segment.

Collateral type that can be accepted by the Bank includes moving objects (including cash, receivables, inventories, machine, and marketable securities), objects that are not moving (including land, building, and machine), and personal/corporate guarantee. The criteria of collateral adequacy coverage (unaudited) for each segment are divided as follows:

Segment	Collateral	Minimum Coverage Amount*)
Wholesale	Funded project	100% - 150% of credit limit
	Inventory	
	Receivable	
	Fixed Asset	
	Land or land and property	
	Other collateral accepted by the Bank	
Retail	Fixed asset	100% - 200% of credit limit
	Inventory	
	Receivable	
	Land or land and property	
	Other collateral accepted by the Bank	

\*) Collateral coverage amount is determined by type and limit of credit facility, type and value of collateral and evaluation of debtor.

To guarantee the credit facility, the Bank prioritize collateral in the form of fixed assets such as land or land and building. Bank uses value of collateral based on appraisal value by internal appraiser (Credit Operation Unit) and external appraiser who are business partner of the Bank or non business partner but approved by authorised person in business unit or credit recovery unit.

Collateral can be replaced as long as the new collateral fulfills marketability aspect and collateral value adequacy criteria, If debtors failed to pay off their loan, the collateral will be liquidated as a second way out to ensure credit recovery.

To identify and measure risk at transactional level as part of implementation of prudential banking, the Bank utilises Credit Risk Tools, which includes Credit Rating and Credit Scoring Tools, financial spread sheet, comprehensive Credit Analysis Memorandum, At portfolio level, control is performed through master limit, ICLS (Integrated Credit Liabilities System) and name clearance.

The Rating and Scoring systems consist of Bank Mandiri Rating System (BMRS), Small Medium Enterprise Scoring System (SMESS), Micro Banking Scoring System (MBSS) and Consumer Scoring System (application, behaviour, collection and anti-attrition).

BMRS that has been developed by the Bank consists of Rating System for Corporate Banking, Rating System for Wholesale SME, Rating System for Project Finance, Rating System for Financial Institution - Bank, Rating System for Financial Institution - Non Bank (Multifinance), and Rating System for *Bank Perkreditan Rakyat* (BPR).



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### **63. RISK MANAGEMENT (continued)**

#### **A. Credit risk (continued)**

By using Rating System for Financial Institutions/Banks, Bank can identify and measure risk level of Bank's Counterpart which can be tolerated in granting Credit Line facilities.

To improve the measurement of transactional risk for the Overseas Offices, currently BMRS has been implemented in Overseas Office. To support the development of Rating and Scoring model, the Bank has a guideline for the development of Credit Rating and Credit Scoring model, which is a complete guidance for the Bank in developing credit rating and credit scoring model. In addition, to monitor the performance of credit rating and credit scoring model, the Bank conducts a review on the scoring and rating results performed by Business Units. In addition, the Bank already has a guidance to form probability of default (PD) model to support implementation of internal rating based approach. In order to monitor the performance of rating and scoring managed in the database, report of credit scoring review and rating review outlook are prepared periodically.

The models that have been developed by the Bank, both the credit and non-credit risk model, are validated internally by Model Validator, which is an independent and separate unit from the model development unit, This is performed to ensure the quality and model validity. Other than validity, another thing that is applied in risk model management is the implementation of model governance management (Risk Model Management) through Inventory Model, risk level assessment model by using model risk index, Model Control through valuation process which is first-time validation or on-going validation.

Currently the Bank is in the process of developing and enhancing further the internal rating and internal scoring to be in line with Advanced Internal Rating Based Approach (A-IRB Approach), which with development of Basel II Risk Parametas model Probability of Default (PD), Loss Given Default (LGD) and Exposure At Default (EAD) for wholesale, retail and consumer segment. This also serves as preparation of model of components for Expected Credit Loss for implementation of IFRS 9 (SFAS 71) for impairment calculation.

Aside from Credit Rating and Scoring, another tools used by the Bank is the loan monitoring system, which uses to identify debtors who potentially experience difficulty in repaying their loan. The Bank conducts early warning analysis called Watch List analysis (Early Warning Analysis) for all Corporate and Commercial debtors with collectibility 1 and 2 on quarterly basis. Based on the analysis, the Bank determines account strategy and action plan to prevent NPL.

In assessing and monitoring credit quality, Bank Mandiri always refers to Bank Indonesia regulation by prioritizing prudential principles by reviewing business prospects, as well as assessing the debtors performance and repayment ability. Credit monitoring on large corporate and middle corporate segments are performed at debtor level through Loan Monitoring System (ALERT System) that has been integrated into the IPS system. Loan monitoring system includes two functions, namely as an early detection tool through analysis of Watch List (Early Warning Analysis) and collectibility review based on 3 pillars. Loan Monitoring System is a standardised, structured and comprehensive method of debtor's performance monitoring, therefore action plan can be done immediately to prevent the deterioration of debtor credit quality.

Monitoring process is performed at the minimum on quarterly basis to identify any debtor who potentially experiencing difficulties to meet their obligations. Meanwhile, monitoring process on retail segments (SME, micro and consumer segment) is performed at portfolio level through portfolio analysis from various aspects as outlined in credit risk report.

As prevention (early warning signal), Bank Mandiri also performs simulation and stress testing on portfolio on regular basis to identify changing of portfolio quality by segment or industry, whereas the result will become a guidance for Bank Mandiri in monitoring the specific sector or debtor that potentially experiencing deterioration of quality more closely to prevent unexpected events.

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**63. RISK MANAGEMENT (continued)**

A. Credit risk (continued)

At portfolio level, risk management uses the active portfolio management approach which proactively maintain the portfolio diversification at optimum level with risk exposure at risk appetite determined by the Bank. In practice, the Bank uses Portfolio Guideline (PG) tools which consist of industry classification, industry acceptance criteria and industry limit.

Industry Classification (IC) classifies industrial sectors into 4 categories based on the prospects and the corresponding risks. The Bank uses IC in determining the industry market target in order to grow in prospective sectors and avoid sectors that have high risk. Industry Acceptance Criteria (IAC) is a basic criteria (quantitative and qualitative) which become a key success factors in certain industrial sector, The Bank uses IAC in determining targeted customers, Meanwhile Industry Limit (IL) is used to determines maximum exposure limit for a particular industrial sector to avoid concentration risk.

PG harmonizes the credit concept whereas the Bank now proactively prioritize to industries with economic value added and select the best companies and individuals within those industries (winner players) as targeted customers. With this proactive approach, the Bank is expected to be able to maintain a healthy portfolio of the profitable companies and engaged in prospective industrial sector. Proactive approach will also prevent risk concentration within one particular industry or particular debtor because the Bank actively limits the exposure through Limit Policies (Industry limit and debtor limit).

PG is periodically reviewed and subject to back testing to ensure its always relevant and up-to-date and has predictive value at an acceptable level. The development and quality of the portfolio are also monitored regularly, both per business segment, industrial sector, region, product type, currency type and risk class.

To support targeted customers and quality pipelines, the Bank has also implemented an integrated Pipeline Management System as a tool for reviewing and monitoring pipeline processing progress.

As part of its active portfolio management, the Bank always monitors the development of credit risk portfolio by calculating the credit risk profile which reflects the inherent risk and the effectiveness of the risk control system. Therefore, the Bank can take preventive action and risk mitigation in both individual and portfolio level.

To monitor quality and test the elasticity of portfolio quality (NPL and yield) to changes in economic variables which can affect the Bank's capital adequacy, the Bank regularly and at ad hoc basis conducts a stress test on the credit portfolio by large debtors group, business segment, industry and products based on various scenarios.

With this stress test, Bank will be able to understand the possibility of negative impact to the business performance of Bank Mandiri, as well as earlier anticipate and take actions to manage the portfolio and identify the most optimal solution for short-term and long-term strategies therefore quality of the Bank's portfolio and capital adequacy can be well maintained.

To comply with FSA Regulation 14/POJK.03/2017 regarding Recovery Plans for Systemic Banks, Article 31 of POJK, Bank Mandiri as a Systemic Bank (Domestic Systemically Important Bank) is required to update its Recovery Plans to overcome possible financial stress and report to FSA no later than the end of November each year. In 2019, Bank Mandiri has updated the Recovery Plan which has been approved at the Board of Directors Meeting dated November 20, 2019.

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**63. RISK MANAGEMENT (continued)**

A. Credit risk (continued)

In order to continuously develop the quality of human resources in risk management, the Bank has risk management academy which issued several risk management modules, both tailored to improve knowledge and skills as well as to generally increase employee risk awareness.

**Credit Risk Management in Pandemic COVID-19 Condition**

In order to support the government's efforts to maintain economic stability, the Bank has prepared a credit restructuring policy for debtors affected by COVID-19 through a Credit Procedure Memorandum regarding the National Economic Stimulus as a Countercyclical Policy on the Impact of the Spread of COVID-19 which was enforced from March 16, 2020.

The policy has stipulated criteria for debtors and business sectors affected by COVID-19 that can be restructured, The relaxation is done specifically for debtors and sectors affected by COVID-19 with reference to POJK No. 11/2020, Regulation of the Coordinating Minister for the Economy No. 6/2020 and Bank Mandiri internal regulations, In addition, decision making is carried out on the basis of the four eyes principle involving the Business Unit / Credit Recovery Unit and the Risk Unit to maintain the principle of prudence. The Bank has prepared a restructuring scheme with the following mechanisms:

- a. Granting of grace period for postponement of interest and / or principal payments
- b. Can be given a tenor extension or a change in installments

In its implementation, the Bank will tighten the assessment for debtors who apply for restructuring to avoid moral hazard and minimize the risk of inappropriate restructuring. The stimulus can only be given to debtors who meet the criteria set by the Bank. Determination of debtors who meet these criteria also involves the risk management unit as an independent party, In the implementation of providing stimulus and to avoid free riders (moral hazard), Bank Mandiri always refers to regulations (a.l. POJK 48/2020 [as adjustment of POJK 11/2020], Regulation of the Coordinating Minister for the Economy 6/2020, Regulation of the Minister of Finance regarding Fund Placement in the Context of Implementing the National Economic Recovery Program (PEN), including the mechanism for Placing State Money at Commercial Banks, Providing Interest Subsidies/Margin Subsidies for Loans/ Financing for Micro, Small and Medium Enterprises In order to support the implementation of the PEN Program and the Government Guarantee through the Guarantee Business Entity Designated in the Context of Implementing the PEN Program, etc.) and follows good governance (GCG).

With the implementation of this policy, it is hoped that Bank debtors who are affected by COVID-19 can be helped and the quality of the Bank's portfolio can be maintained properly.

In connection with the ongoing condition of the COVID-19 Pandemic, the Bank made a number of adjustments to the credit monitoring process and mechanism, both for debtors as an entity and as a portfolio. A number of adjustments were made so that the monitoring results can always provide early warning signals and determine risk mitigation to be effective in maintaining credit quality during the pandemic period.

Adjustments to the credit monitoring mechanism are carried out through:

1. Watchlist analysis of all debtors, especially debtor entities that are in the business sector affected by COVID-19 with reference to POJK 48/2020 (as adjustment of POJK No. 11/2020) and the Bank's internal regulations. The output watchlist for debtors that have the potential to experience a decline in performance is accompanied by an action plan that is monitored for its implementation on an ongoing basis.
2. Control of credit disbursement towards debtors who are experiencing credit restructuring (especially those through the POJK National Economic Stimulus POJK 48/2020 No. [as adjustment of POJK 11/2020]) so that the restructuring objectives can be achieved effectively.

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**63. RISK MANAGEMENT (continued)**

A. Credit risk (continued)

**Credit Risk Management in Pandemic COVID-19 Condition (continued)**

3. Stress testing scenarios involving aspects of the COVID-19 pandemic as a support for judgmental decision making.
4. Implementation of post facto review of restructuring debtors affected by Covid-19 to avoid moral hazard and minimize the risk of inappropriate restructuring.

The Bank always conducts reviews on the implementation of the credit distribution and monitoring mechanism in the midst of the COVID-19 Pandemic so that adjustments can be made at the first opportunity when conditions change in the COVID-19 Pandemic by referring to government regulations and the applicable regulator.

Regarding the debtor restructuring scheme, the Bank made a number of adjustments to the provisions of the credit restructuring process by referring to POJK 48/2020 ( as adjustment of No. POJK 11/2020) and internal policies related to providing economic stimulus for debtors affected by the spread of COVID-19. The adjustment of restructuring provisions through economic stimuli stimulus includes: criteria for affected debtors, business sectors affected by COVID-19, restructuring mechanisms and schemes, decision-making authority, determination of credit quality, monitoring, reporting to regulators and accounting journals.

It is hoped that adjustments to the provisions of the credit restructuring process affected by COVID-19 are expected to be able to help Bank debtors and the quality of the Bank's credit portfolio is always well maintained.

Regarding the condition of COVID-19 which may indirectly have implications for the risk measurement model used in the Bank, and as part of the implementation of the Risk Management Model to ensure the accuracy of model predictions, the Model Validator and Model Developer jointly carry out the Stock Opname Model. The main objective of the Stock Opname Model is to review the model's performance by backtesting the model during the COVID-19 period. Backtesting is carried out primarily for credit risk models including Rating/Scoring Model, Basel Model and Macro PD, The results of the review of the Stock Opname Model process will then produce the short term and long term action plans needed to minimize the impact of COVID-19 on the accuracy of predictions from the model.

(i) Maximum exposure to credit risk before considering collateral held and other credit supports

Maximum credit risk exposures on financial assets are presented net after allowance for impairment losses without considering collateral and other credit supports as of December 31, 2020 and 2019 are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current Account with Bank Indonesia	49,638,625	46,490,930
Current Account with Other Banks	23,977,327	12,558,297
Placement with Bank Indonesia And Other Banks	79,766,597	37,568,760

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**63. RISK MANAGEMENT (continued)**

A. Credit risk (continued)

- (i) Maximum exposure to credit risk before considering collateral held and other credit supports (continued)

Maximum credit risk exposures on financial assets are presented net after allowance for impairment losses without considering collateral and other credit supports as of December 31, 2020 and 2019 are as follows (continued):

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Marketable securities**)		
Government		
Fair value through profit or loss	1,600,971	4,319,700
Fair value through other comprehensive income	1,877,509	-
Amortized cost	20,000	-
At cost	123,603	405,881
Available for sale	-	1,615,886
Held to maturity	-	16,726
Non-government		
Fair value through profit or loss	6,627,802	3,189,247
Fair value through other comprehensive income	17,269,068	-
Amortized cost	8,436,963	-
At cost	17,585,718	13,436,875
Available for sale	-	18,285,290
Held to maturity	-	7,982,683
Government bonds***)		
Fair value through profit or loss	7,896,257	5,040,996
Fair value through other comprehensive income	102,726,597	-
Amortized cost	39,423,358	-
At cost	8,690,979	8,079,331
Available for sale	-	96,664,454
Held to maturity	-	18,003,259
Other receivables - trade transactions	28,308,088	29,104,111
Securities purchased under agreements to resell	55,094,456	1,955,363
Derivatives receivables	2,578,947	1,617,476
Loans and sharia loan/financing <sup>)</sup>		
Corporate	325,716,019	360,345,989
Commercial	125,715,924	132,412,926
Retail	276,504,679	289,881,505
Sharia	79,937,741	73,206,424
Consumer financing receivables	18,649,899	18,211,088
Net investment finance leases	3,522,467	3,047,089
Acceptance receivables	10,033,684	10,058,035

<sup>)</sup> Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.

<sup>\*\*) Excluding marketable securities which are the investment from the Subsidiaries' policyholder's unit-link which has no credit risk exposure.</sup>

<sup>\*\*\*) Excluding government bonds which are the investment from the Subsidiaries' policyholder's unit-link which has no credit risk exposure.</sup>

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**63. RISK MANAGEMENT (continued)**

A. Credit risk (continued)

- (i) Maximum exposure to credit risk before considering collateral held and other credit supports (continued)

Maximum credit risk exposures on financial assets are presented net after allowance for impairment losses without considering collateral and other credit supports as of December 31, 2020 and 2019 are as follows (continued):

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Other assets		
Accrued income	5,695,044	5,393,123
Receivables from customer transactions	3,130,963	1,304,879
Receivables from transactions related to ATM and credit card	543,698	595,697
Receivables from policyholders	223,556	147,564
Receivables from sale of marketable securities	-	75,789
Receivables from government bonds pledged as collateral	5,330,952	3,554,645
	<u><b>1,306,647,491</b></u>	<u><b>1,204,570,018</b></u>

Credit risk exposures relating to administrative accounts net after allowance for impairment losses as of December 31, 2020 and 2019 are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Bank guarantees issued	96,459,650	96,343,574
Unused loan facilities <sup>1)</sup>	78,188,869	39,132,832
Outstanding irrevocable letters of credit	15,356,343	17,552,391
Standby letter of credit	9,210,280	13,572,803
	<u><b>199,215,142</b></u>	<u><b>166,601,600</b></u>

<sup>1)</sup> Include committed and uncommitted credit card facilities.

The above table represents the maximum financial assets exposure on credit risk for Bank Mandiri and Subsidiaries as of December 31, 2020 and 2019, without taking into account any collateral held or other credit support. For financial assets in the consolidated statement of financial position, the exposures set out above are based on carrying amounts as reported in the consolidated financial statements.

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**63. RISK MANAGEMENT (continued)**

A. Credit risk (continued)

- (i) Maximum exposure to credit risk before considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure

a) Geographical sectors

The following table breaks down Bank Mandiri's and Subsidiaries' credit exposure at their gross amounts (without taking into account any allowance for impairment losses, collateral held or other credit support), as categorised by geographical region as of December 31, 2020 and 2019. In the following table, Bank Mandiri and Subsidiaries have allocated exposures based on the geographical area where the transactions are recorded.

	December 31, 2020					Total
	Jawa and Bali	Sumatera	Kalimantan	Sulawesi	Others****)	
Current accounts with Bank Indonesia	49,638,625	-	-	-	-	49,638,625
Current accounts with other banks	18,505,545	10	566	-	5,542,250	24,048,371
Placement with Bank Indonesia and other banks	79,813,369	-	-	-	-	79,813,369
Marketable securities**)						
Government						
Fair value through profit or loss	1,600,971	-	-	-	-	1,600,971
Fair value through OCI	1,736,093	-	-	-	141,416	1,877,509
Amortized cost	20,000	-	-	-	-	20,000
At cost	123,603	-	-	-	-	123,603
Non Government						
Fair value through profit or loss	6,627,907	-	-	-	-	6,627,907
Fair value through OCI	16,863,160	-	-	-	406,828	17,269,988
Amortized cost	8,446,218	-	-	-	109,830	8,556,048
At cost	17,605,641	-	-	-	-	17,605,641
Government Bonds***)						
Fair value through profit or loss	7,896,257	-	-	-	-	7,896,257
Fair value through OCI	102,726,597	-	-	-	-	102,726,597
Amortized cost	39,423,358	-	-	-	-	39,423,358
At cost	8,690,979	-	-	-	-	8,690,979
Other receivables-trade transactions	29,772,858	-	-	-	223,006	29,995,864
Securities purchased under agreements to resell	55,094,456	-	-	-	-	55,094,456
Derivatives receivables	2,485,526	-	-	-	93,421	2,578,947
Loans <sup>1)</sup>						
Corporate	251,235,105	43,754,932	5,725,053	4,985,406	38,547,797	344,248,293
Commercial	109,975,182	31,925,534	8,920,323	2,884,405	592,630	154,298,074
Retail	192,906,823	49,047,848	18,870,692	21,726,225	5,824,634	288,376,222
Sharia	53,476,433	16,591,847	6,320,365	4,311,544	2,522,687	83,222,876
Consumer financing receivables	12,275,984	3,087,617	1,814,963	1,812,379	87,465	19,078,408
Net investment finance leases	3,463,274	54,302	39,862	16,834	7,150	3,581,422
Acceptance receivables	10,000,801	-	-	-	155,708	10,156,509
Other assets						
Accrued Income	4,797,522	404,170	113,740	136,400	243,212	5,695,044
Receivables from customer transactions	2,977,359	106,438	24,901	33,022	2,399	3,144,119
Receivables from transactions related to ATM and credit card	543,698	-	-	-	-	543,698
Receivables to policyholders	223,556	-	-	-	-	223,556
Bonds pledged as collateral	5,330,952	-	-	-	-	5,330,952
	<b>1,094,277,852</b>	<b>144,972,698</b>	<b>41,830,465</b>	<b>35,906,215</b>	<b>54,500,433</b>	<b>1,371,487,663</b>

<sup>1)</sup> Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.

<sup>2)</sup> Excluding securities which are the investment of the Subsidiary's unit-link policyholders with no credit risk.

<sup>3)</sup> Excluding government bonds from investments from Subsidiary's unit-link policyholders with no credit risk.

<sup>4)</sup> Others include portfolios in Papua and overseas branches.

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**63. RISK MANAGEMENT (continued)**

A. Credit risk (continued)

- (i) Maximum exposure to credit risk before considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

a) Geographical sectors (continued)

	December 31, 2019					Total
	Jawa and Bali	Sumatera	Kalimantan	Sulawesi	Others****)	
Current accounts with Bank Indonesia	46,490,930	-	-	-	-	46,490,930
Current accounts with other banks	10,224,194	10	572	-	2,338,714	12,563,490
Placement with Bank Indonesia and other banks	26,491,374	-	-	-	11,125,061	37,616,435
Marketable securities**)						
Government						
Fair value through profit or loss	2,469,184	-	-	-	1,850,516	4,319,700
Available for sale	-	-	-	-	1,615,886	1,615,886
Held to maturity	16,726	-	-	-	-	16,726
At cost	405,881	-	-	-	-	405,881
Non Government						
Fair value through profit or loss	2,496,979	-	-	-	692,268	3,189,247
Available for sale	17,725,826	-	-	-	559,464	18,285,290
Held to maturity	7,799,914	-	-	-	219,254	8,019,168
At cost	13,469,928	-	-	-	-	13,469,928
Government Bonds ***)						
Fair value through profit or loss	5,040,996	-	-	-	-	5,040,996
Available for sale	92,152,640	-	-	-	4,511,814	96,664,454
Held to maturity	16,685,335	-	-	-	1,317,924	18,003,259
At cost	8,079,331	-	-	-	-	8,079,331
Other receivables-trade transactions	30,202,607	-	-	-	213,095	30,415,702
Securities purchased under agreements to resell	1,955,363	-	-	-	-	1,955,363
Derivatives receivables	1,601,140	-	-	-	16,336	1,617,476
Loans <sup>1)</sup>						
Corporate	276,267,516	45,645,011	5,619,170	3,352,500	34,485,748	365,369,945
Commercial	107,231,695	27,635,833	9,632,986	3,558,414	963,009	149,021,937
Retail	196,531,462	52,278,744	19,661,042	21,848,099	5,950,233	296,269,580
Sharia	49,384,727	14,170,018	5,964,659	3,598,998	2,055,373	75,173,775
Consumer financing receivables	12,453,126	2,676,510	1,520,180	1,857,925	57,965	18,565,706
Net investment finance leases	2,968,215	42,243	32,107	11,404	1,102	3,055,071
Acceptance receivables	9,377,389	-	-	-	902,450	10,279,839
Other assets						
Accrued Income	4,422,687	436,656	126,126	129,827	277,827	5,393,123
Receivables from customer transactions	1,173,575	89,774	21,756	28,236	2,147	1,315,488
Receivables from transactions related to ATM and credit card	595,697	-	-	-	-	595,697
Receivables to policyholders	147,564	-	-	-	-	147,564
Receivables from sale of marketable securities	75,789	-	-	-	-	75,789
Receivables from Government Bonds pledged as collateral	3,554,645	-	-	-	-	3,554,645
	<b>947,492,435</b>	<b>142,974,799</b>	<b>42,578,598</b>	<b>34,385,403</b>	<b>69,156,186</b>	<b>1,236,587,421</b>

<sup>1)</sup> Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.

<sup>2)</sup> Excluding securities which are the investment of the Subsidiary's unit-link policyholders with no credit risk.

<sup>3)</sup> Excluding government bonds from investments from Subsidiary's unit-link policyholders with no credit risk.

<sup>4)</sup> Others include portfolios in Papua and overseas branches.



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**63. RISK MANAGEMENT (continued)**

A. Credit risk (continued)

- (i) Maximum exposure to credit risk before considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

a) Geographical sectors (continued)

Credit risk exposure relating to administrative accounts are as follows:

	December 31, 2020					Total
	Jawa and Bali	Sumatera	Kalimantan	Sulawesi	Others <sup>1)</sup>	
Administrative accounts						
Bank guarantees issued	95,274,430	242,117	30,975	54,896	2,665,925	98,268,343
Unused loan facilities <sup>1)</sup>	53,198,777	5,709,768	760,017	426,485	18,403,598	78,498,645
Outstanding irrevocable letters of credit	14,656,685	-	-	-	788,686	15,445,371
Standby letter of credit	9,573,044	-	-	-	901,273	10,474,317
	<u>172,702,936</u>	<u>5,951,885</u>	<u>790,992</u>	<u>481,381</u>	<u>22,759,482</u>	<u>202,686,676</u>

<sup>1)</sup> Include committed and uncommitted credit card facilities

	December 31, 2019					Total
	Jawa and Bali	Sumatera	Kalimantan	Sulawesi	Others <sup>1)</sup>	
Administrative accounts						
Bank guarantees issued	93,586,431	94,720	24,259	82,437	2,675,549	96,463,396
Committed unused loan facilities	12,769,401	4,872,577	772,094	415,516	20,331,214	39,160,802
Outstanding irrevocable letters of credit	16,173,203	5,275	-	-	1,386,875	17,565,353
Standby letter of credit	12,925,660	-	-	-	872,428	13,798,088
	<u>135,454,695</u>	<u>4,972,572</u>	<u>796,353</u>	<u>497,953</u>	<u>25,266,066</u>	<u>166,987,639</u>

b) Industry sectors

The following table describe Bank's credit exposure at gross amounts (without taking into account any allowance for impairment losses, collateral held or other credit support), as categorised by industry sectors as of December 31, 2020 and 2019.

	December 31, 2020						Total
	Government	Financial institution/ Bank	Manufacturing	Agriculture	Business services	Others <sup>(****)</sup>	
Current accounts with Bank Indonesia	-	49,638,625	-	-	-	-	49,638,625
Current accounts with other banks	-	24,048,371	-	-	-	-	24,048,371
Placement with Bank Indonesia and other banks	-	79,813,369	-	-	-	-	79,813,369
Marketable securities <sup>(*)</sup>							
Government							
Fair value through profit or loss	1,600,971	-	-	-	-	-	1,600,971
Fair value through other comprehensive income	1,877,509	-	-	-	-	-	1,877,509
Amortized cost	20,000	-	-	-	-	-	20,000
Held to maturity	123,603	-	-	-	-	-	123,603
Non Government							
Fair value through profit or loss	-	5,897,287	-	-	-	730,620	6,627,907
Fair value through other comprehensive income	-	3,369,964	-	-	-	13,900,024	17,269,988
Amortized cost	-	1,356,135	-	-	-	7,199,913	8,556,048
Available for sale	-	-	-	-	-	-	-
Held to maturity	-	15,991,041	-	-	-	1,614,600	17,605,641
Government Bonds <sup>(****)</sup>							
Fair value through profit or loss	7,896,257	-	-	-	-	-	7,896,257
Fair value through other comprehensive income	102,726,597	-	-	-	-	-	102,726,597
Amortized cost	39,423,358	-	-	-	-	-	39,423,358
Available for sale	-	-	-	-	-	-	-
Held to maturity	-	-	-	-	-	-	-
At cost	8,690,979	-	-	-	-	-	8,690,979

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**63. RISK MANAGEMENT (continued)**

A. Credit risk (continued)

- (i) Maximum exposure to credit risk before considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

b) Industry sectors (continued)

The following table describe Bank's credit exposure at gross amounts (without taking into account any allowance for impairment losses, collateral held or other credit support), as categorised by industry sectors as of December 31, 2020 and 2019.

	December 31, 2020						Total
	Government	Financial institution/ Bank	Manufacturing	Agriculture	Business services	Others****)	
Other receivables-trade transactions	-	2,503,486	2,932,992	13,148,896	-	11,410,490	29,995,864
Securities purchased under resale agreements	-	55,094,456	-	-	-	-	55,094,456
Derivatives receivables	-	1,658,141	-	-	-	920,806	2,578,947
Loans <sup>)</sup>							
Corporate	19,296,149	8,390,131	71,426,475	35,156,941	21,124,277	188,854,320	344,248,293
Commercial	-	1,157,013	47,333,942	32,037,068	15,030,314	58,739,737	154,298,074
Retail	-	43,742	7,243,319	22,970,489	20,205,901	237,912,771	288,376,222
Sharia	7,417	3,546,358	4,103,106	5,041,542	3,343,265	67,181,188	83,222,876
Consumer financing receivables	131,520	57,737	325,327	25,491	527,886	18,010,447	19,078,408
Net investment finance leases	43,072	8,053	165,668	125,405	587,335	2,651,889	3,581,422
Acceptance receivables	-	829,615	4,236,583	127,166	-	4,963,145	10,156,509
Other assets							
Accrued income	1,207,209	1,473,651	220,377	186,964	317,448	2,289,395	5,695,044
Receivables from customer transactions	-	433,750	-	-	-	2,710,369	3,144,119
Receivables from transactions related to ATM and credit card	-	-	-	-	-	543,698	543,648
Receivables to policyholders	-	223,556	-	-	-	-	223,556
Receivables from sale of marketable securities	-	-	-	-	-	-	-
Receivables from Government Bonds pledged as collateral	-	5,330,952	-	-	-	-	5,330,952
	<b>183,044,641</b>	<b>260,865,433</b>	<b>137,987,789</b>	<b>108,819,962</b>	<b>61,136,426</b>	<b>619,633,412</b>	<b>1,371,487,663</b>

<sup>)</sup> Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.

<sup>\*\*)</sup> Excluding marketable securities from investment from the Subsidiary's unit-link policyholder's with no credit risk.

<sup>\*\*\*)</sup> Excluding government bonds from investments from Subsidiary's unit-link policyholders with no credit risk.

<sup>\*\*\*\*)</sup> Others including trading, restaurant and hotel, mining, transportation, warehousing, construction, gas and water, and social services.

	December 31, 2019						Total
	Government	Financial institution/ Bank	Manufacturing	Agriculture	Business services	Others****)	
Current accounts with Bank Indonesia	-	46,490,930	-	-	-	-	46,490,930
Current accounts with other banks	-	12,563,490	-	-	-	-	12,563,490
Placement with Bank Indonesia and other banks	-	37,616,435	-	-	-	-	37,616,435
Marketable securities <sup>)</sup>							
Government							
Fair value through profit or loss	4,319,700	-	-	-	-	-	4,319,700
Available for sale	1,615,886	-	-	-	-	-	1,615,886
Held to maturity	16,726	-	-	-	-	-	16,726
At cost	405,881	-	-	-	-	-	405,881
Non Government							
Fair value through profit or loss	-	3,016,983	92,548	88	53,029	26,599	3,189,247
Available for sale	-	11,020,052	318,793	154,072	2,450,311	4,342,062	18,285,290
Held to maturity	-	3,345,297	621,516	466,075	2,564,872	1,021,408	8,019,168
At cost	-	11,795,328	400,000	85,000	385,000	804,600	13,469,928
Government Bonds <sup>**)</sup>							
Fair value through profit or loss	5,040,996	-	-	-	-	-	5,040,996
Available for sale	96,664,454	-	-	-	-	-	96,664,454
Held to maturity	18,003,259	-	-	-	-	-	18,003,259
At cost	8,079,331	-	-	-	-	-	8,079,331
Other receivables-trade transactions	-	5,988,403	9,778,576	1,897,493	205,518	12,545,712	30,415,702

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**63. RISK MANAGEMENT (continued)**

A. Credit risk (continued)

- (i) Maximum exposure to credit risk before considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

b) Industry sectors (continued)

December 31, 2019							
	Government	Financial institution/ Bank	Manufacturing	Agriculture	Business services	Others****)	Total
Securities purchased under resale agreements	-	1,839,657	-	-	-	115,706	1,955,363
Derivatives receivables	-	1,165,889	-	-	-	451,587	1,617,476
Loans <sup>)</sup>							
Corporate	13,567,951	6,114,177	85,521,532	39,480,182	45,702,704	174,983,399	365,369,945
Commercial	-	701,949	46,513,622	27,236,270	19,589,813	54,980,283	149,021,937
Retail	-	47,219	5,916,721	16,770,264	16,482,885	257,052,491	296,269,580
Sharia	17,276	5,871,056	3,708,803	3,936,036	3,801,803	57,838,801	75,173,775
Consumer financing receivables	153,821	25,052	555,174	35,211	167,630	17,628,818	18,565,706
Net investment finance leases	76,113	2,586	77,363	40,146	563,260	2,295,603	3,055,071
Acceptance receivables	1,469	981,419	872,765	-	5,245	8,418,941	10,279,839
Other assets							
Accrued income	666,736	1,468,736	312,435	109,486	339,177	2,496,553	5,393,123
Receivables from customer transactions	-	475,802	-	-	-	839,686	1,315,488
Receivables from transactions related to ATM and credit card	-	-	-	-	-	595,697	595,697
Receivables to policyholders	-	147,564	-	-	-	-	147,564
Receivables from sale of marketable securities	-	75,789	-	-	-	-	75,789
Receivables from Government Bonds pledged as collateral	-	3,554,645	-	-	-	-	3,554,645
	<b>148,629,599</b>	<b>154,308,458</b>	<b>154,689,848</b>	<b>90,210,323</b>	<b>92,311,247</b>	<b>596,437,946</b>	<b>1,236,587,421</b>

<sup>)</sup> Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.

<sup>\*)</sup> Excluding marketable securities from investment from the Subsidiary's unit-link policyholder's with no credit risk.

<sup>\*\*\*\*)</sup> Excluding government bonds from investments from Subsidiary's unit-link policyholders with no credit risk.

<sup>\*\*\*\*)</sup> Others including trading, restaurant and hotel, mining, transportation, warehousing, construction, gas and water, and social services.

Credit risk exposure relating to administrative accounts items are as follows:

December 31, 2020							
	Government	Financial institution/ Bank	Manufacturing	Agriculture	Business services	Others <sup>)</sup>	Net
Administrative accounts							
Bank guarantees issued	17,982	30,744,973	21,739,897	259,653	444,240	45,061,598	98,268,343
Unused loan facilities <sup>)</sup>	14,405,222	4,636,603	6,063,013	2,953,361	-	50,440,446	78,498,645
Outstanding irrevocable letters of credit	23,778	136,133	1,694,376	256,144	1,457,381	11,877,559	15,445,371
Standby letter of credit	-	13,072	3,112,625	435,550	3,066,778	3,846,292	10,474,317
	<b>14,446,982</b>	<b>35,530,781</b>	<b>32,609,911</b>	<b>3,904,708</b>	<b>4,968,399</b>	<b>111,225,895</b>	<b>202,686,676</b>

<sup>)</sup> Include committed and uncommitted credit card facilities

December 31, 2019							
	Government	Financial institution/ Bank	Manufacturing	Agriculture	Business services	Others <sup>)</sup>	Net
Administrative accounts							
Bank guarantees issued	25,582	27,584,799	21,890,489	221,225	425,821	46,315,480	96,463,396
Committed unused loan facilities	16,684,136	2,794,599	6,616,123	1,322,600	-	11,743,344	39,160,802
Outstanding irrevocable letters of credit	63,944	10,168	2,168,351	334,116	1,921,081	13,067,693	17,565,353
Standby letter of credit	-	-	2,224,023	-	3,832,186	7,741,879	13,798,088
	<b>16,773,662</b>	<b>30,389,566</b>	<b>32,898,986</b>	<b>1,877,941</b>	<b>6,179,088</b>	<b>78,868,396</b>	<b>166,987,639</b>

<sup>)</sup> Others including trading, restaurant and hotel, mining, transportation, warehousing, construction, electricity, gas and water, and social services.

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**63. RISK MANAGEMENT (continued)**

A. Credit Risk (continued)

- (i) Maximum exposure to credit risk before considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

c) Credit quality of financial assets

As of December 31, 2020 and 2019, exposure to credit risk on financial assets are as follows:

	December 31, 2020					
	Neither past due nor impaired	Past due but not impaired	Impaired	Total	Impairment provision	Net
Current account with Bank Indonesia	49,638,625	-	-	49,638,625	-	49,638,625
Current account with other bank	24,045,292	-	3,079	24,048,371	(71,044)	23,977,327
Placement with Bank Indonesia and others bank	79,768,792	-	44,577	79,813,369	(46,772)	79,766,597
Marketable securities **)						
Government						
Fair value through profit or loss	1,600,971	-	-	1,600,971	-	1,600,971
Fair value through other comprehensive income	1,877,509	-	-	1,877,509	-	1,877,509
Amortized cost	20,000	-	-	20,000	-	20,000
At cost	123,603	-	-	123,603	-	123,603
Non-government						
Fair value through profit or loss	6,627,907	-	-	6,627,907	(105)	6,627,802
Fair value through other comprehensive income	17,269,988	-	-	17,269,988	(920)	17,269,068
Amortized cost	8,556,048	-	-	8,556,048	(119,085)	8,436,963
At cost	17,605,641	-	-	17,605,641	(19,923)	17,585,718
Government Bonds ***)						
Fair value through profit or loss	7,896,257	-	-	7,896,257	-	7,896,257
Fair value through other comprehensive income	102,726,597	-	-	102,726,597	-	102,726,597
Amortized cost	39,423,358	-	-	39,423,358	-	39,423,358
At cost	8,690,979	-	-	8,690,979	-	8,690,979
Other receivables						
trade transactions	25,541,491	3,274,634	1,179,739	29,995,864	(1,687,776)	28,308,088
Securities purchased under resale agreements	55,094,456	-	-	55,094,456	-	55,094,456
Derivatives receivables	2,578,947	-	-	2,578,947	-	2,578,947
Loans <sup>1)</sup>						
Corporate	330,609,957	9,470,200	4,168,136	344,248,293	(18,532,274)	325,716,019
Commercial	117,213,482	19,246,040	17,838,552	154,298,074	(28,582,150)	125,715,924
Retail	276,336,163	8,291,926	3,748,133	288,376,222	(11,871,543)	276,504,679
Sharia	70,595,274	321,279	12,306,323	83,222,876	(3,285,135)	79,937,741
Consumer financing receivables	17,453,288	1,440,325	184,795	19,078,408	(428,509)	18,649,899
Net Investment finance leases	3,372,382	178,953	30,087	3,581,422	(58,955)	3,522,467
Acceptance receivables	10,155,118	-	1,391	10,156,509	(122,825)	10,033,684
Other assets						
Accrued income	5,695,044	-	-	5,695,044	-	5,695,044
Receivables from customer transactions	3,134,231	-	9,888	3,144,119	(13,156)	3,130,963
Receivables from transactions related to ATM and credit card	543,698	-	-	543,698	-	543,698
Receivable to policyholders	223,556	-	-	223,556	-	223,556
Receivables from Government Bonds pledged as collateral	5,330,952	-	-	5,330,952	-	5,330,952
	<b>1,289,749,606</b>	<b>42,223,357</b>	<b>39,514,700</b>	<b>1,371,487,663</b>	<b>(64,840,172)</b>	<b>1,306,647,491</b>

<sup>1)</sup> Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.

<sup>2)</sup> Excluding marketable securities from investment from the Subsidiary's unit-link policyholder's with no credit risk.

<sup>3)</sup> Excluding government bonds from investments from Subsidiary's unit-link policyholders with no credit risk.

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**63. RISK MANAGEMENT (continued)**

A. Credit risk (continued)

- (i) Maximum exposure to credit risk before considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

c) Credit quality of financial assets (continued)

As of December 31, 2020 and 2019, exposure to credit risk on financial assets are as follows (continued):

	December 31, 2019					Net
	Neither past due nor impaired	Past due but not impaired	Impaired	Total	Impairment provision	
Current account with Bank Indonesia	46,490,930	-	-	46,490,930	-	46,490,930
Current account with other bank	12,560,200	-	3,290	12,563,490	(5,193)	12,558,297
Placement with Bank Indonesia and others bank	37,568,760	-	47,675	37,616,435	(47,675)	37,568,760
Marketable securities <sup>*)</sup>						
Government						
Fair value through profit or loss	4,319,700	-	-	4,319,700	-	4,319,700
Available for sale	1,615,886	-	-	1,615,886	-	1,615,886
Held to maturity	16,726	-	-	16,726	-	16,726
At cost	405,881	-	-	405,881	-	405,881
Non-government						
Fair value through profit or loss	3,189,247	-	-	3,189,247	-	3,189,247
Available for sale	18,285,290	-	-	18,285,290	-	18,285,290
Held to maturity	7,949,850	-	69,318	8,019,168	(36,485)	7,982,683
At cost	13,469,928	-	-	13,469,928	(33,053)	13,436,875
Government Bonds <sup>****)</sup>						
Fair value through profit or loss	5,040,996	-	-	5,040,996	-	5,040,996
Available for sale	96,664,454	-	-	96,664,454	-	96,664,454
Held to maturity	18,003,259	-	-	18,003,259	-	18,003,259
At cost	8,079,331	-	-	8,079,331	-	8,079,331
Other receivables						
trade transactions	22,418,217	6,502,375	1,495,110	30,415,702	(1,311,591)	29,104,111
Securities purchased under resale agreements	1,955,363	-	-	1,955,363	-	1,955,363
Derivatives receivables	1,617,476	-	-	1,617,476	-	1,617,476
Loans <sup>)</sup>						
Corporate	334,409,001	21,838	30,939,106	365,369,945	(5,023,956)	360,345,989
Commercial	110,759,311	871,124	37,391,502	149,021,937	(16,609,011)	132,412,926
Retail	279,674,630	9,720,049	6,874,901	296,269,580	(6,388,075)	289,881,505
Sharia	71,119,651	635,401	3,418,723	75,173,775	(1,967,351)	73,206,424
Consumer financing receivables	16,993,116	1,362,530	210,060	18,565,706	(354,618)	18,211,088
Net Investment finance leases	2,845,500	182,377	27,194	3,055,071	(7,982)	3,047,089
Acceptance receivables	9,720,487	-	559,352	10,279,839	(221,804)	10,058,035
Other assets						
Accrued income	5,393,123	-	-	5,393,123	-	5,393,123
Receivables from customer transactions	1,304,877	-	10,611	1,315,488	(10,609)	1,304,879
Receivables from transactions related to ATM and credit card	595,697	-	-	595,697	-	595,697
Receivable to policyholders	147,564	-	-	147,564	-	147,564
Receivables from sale of marketable Securities	75,789	-	-	75,789	-	75,789
Receivables from Government Bonds pledged as collateral	3,554,645	-	-	3,554,645	-	3,554,645
	<b>1,136,244,885</b>	<b>19,295,694</b>	<b>81,046,842</b>	<b>1,236,587,421</b>	<b>(32,017,403)</b>	<b>1,204,570,018</b>

<sup>)</sup> Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.

<sup>\*)</sup> Excluding marketable securities from investment from the Subsidiary's unit-link policyholder's with no credit risk.

<sup>\*\*\*\*)</sup> Excluding government bonds from investments from Subsidiary's unit-link policyholders with no credit risk.

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**63. RISK MANAGEMENT (continued)**

A. Credit risk (continued)

- (i) Maximum exposure to credit risk before considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

- c) Credit quality of financial assets (continued)

As of December 31, 2020 and 2019, exposure to credit risk on administrative accounts are as follows:

	December 31, 2020					
	Neither past due nor impaired	Past due but not impaired	Impaired	Total	Impairment provision	Net
Administrative accounts						
Bank guarantees issued	98,079,132	-	189,211	98,268,343	(1,808,693)	96,459,650
Unused loan facilities <sup>*)</sup>	77,855,815	568,276	74,554	78,498,645	(309,776)	78,188,869
Outstanding irrevocable letters of credit	15,443,042	-	2,329	15,445,371	(89,028)	15,356,343
Standby letter of credit	10,474,317	-	-	10,474,317	(1,264,037)	9,210,280
	<b>201,852,306</b>	<b>568,276</b>	<b>266,094</b>	<b>202,686,676</b>	<b>(3,471,534)</b>	<b>199,215,142</b>

<sup>\*)</sup> Include committed and uncommitted credit card facilities

	December 31, 2019					
	Neither past due nor impaired	Past due but not impaired	Impaired	Total	Impairment provision	Net
Administrative accounts						
Bank guarantees issued	95,547,794	-	915,602	96,463,396	(119,822)	96,343,574
Committed unused loan facilities	38,732,357	4,389	424,056	39,160,802	(27,970)	39,132,832
Outstanding irrevocable letters of credit	16,813,849	-	751,504	17,565,353	(12,962)	17,552,391
Standby letter of credit	12,906,578	-	891,510	13,798,088	(225,285)	13,572,803
	<b>164,000,578</b>	<b>4,389</b>	<b>2,982,672</b>	<b>166,987,639</b>	<b>(386,039)</b>	<b>166,601,600</b>

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**63. RISK MANAGEMENT (continued)**

A. Credit risk (continued)

- (i) Maximum exposure to credit risk before considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

c) Credit quality of financial assets (continued)

As of December 31, 2020 and 2019, details of the quality of financial assets that are neither past due or nor impaired based on internal ratings are as follows:

	December 31, 2020		
	Not under Monitoring <sup>1)</sup>	Under monitoring <sup>2)</sup>	Total
Assets			
Current accounts with Bank Indonesia	49,638,625	-	49,638,625
Current accounts with other banks	24,045,292	-	24,045,292
Placement with Bank Indonesia and other banks	79,768,792	-	79,768,792
Marketable securities <sup>3)</sup>			
Government			
Fair value through profit or loss	1,600,971	-	1,600,971
Fair value through other comprehensive income	1,877,509	-	1,877,509
Amortized cost	20,000	-	20,000
At cost	123,603	-	123,603
Non Government			
Fair value through profit or loss	6,627,907	-	6,627,907
Fair value through other comprehensive income	17,269,988	-	17,269,988
Amortized cost	8,556,048	-	8,556,048
At cost	17,605,641	-	17,605,641
Government Bonds <sup>4)</sup>			
Fair value through profit or loss	7,896,257	-	7,896,257
Fair value through other comprehensive income	102,726,597	-	102,726,597
Amortized cost	39,423,358	-	39,423,358
At cost	8,690,979	-	8,690,979
Other receivables-trade transactions	9,740,337	15,801,154	25,541,491
Securities purchased under agreements to resell	55,094,456	-	55,094,456
Derivatives receivables	2,578,947	-	2,578,947
Loans <sup>5)</sup>			
Corporate	165,997,927	164,612,030	330,609,957
Commercial	58,489,360	58,724,122	117,213,482
Retail	267,818,712	8,517,451	276,336,163
Sharia	70,595,274	-	70,595,274
Consumer financing receivables	17,453,288	-	17,453,288
Net Investment finance leases	3,372,382	-	3,372,382
Acceptance receivables	7,317,273	2,837,845	10,155,118
Other assets			
Accrued income	5,695,044	-	5,695,044
Receivables from customer transactions	3,134,231	-	3,134,231
Receivables from transactions			
related to ATM and credit card	543,698	-	543,698
Receivables to policyholders	223,556	-	223,556
Receivables from Government Bonds pledged as collateral	5,330,952	-	5,330,952
<b>Total</b>	<b>1,039,257,004</b>	<b>250,492,602</b>	<b>1,289,749,606</b>

<sup>1)</sup> Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.

<sup>2)</sup> Excluding marketable securities from investment from the Subsidiary's unit-link policyholder's with no credit risk.

<sup>3)</sup> Excluding government bonds from investments from Subsidiary's unit-link policyholders with no credit risk.

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**63. RISK MANAGEMENT (continued)**

A. Credit risk (continued)

- (i) Maximum exposure to credit risk before considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

- c) Credit quality of financial assets (continued)

As of December 31, 2020 and 2019, details of the quality of financial assets that are neither past due or nor impaired based on internal ratings are as follows (continued):

	December 31, 2019		
	Not under Monitoring <sup>1)</sup>	Under monitoring <sup>2)</sup>	Total
Assets			
Current accounts with Bank Indonesia	46,490,930	-	46,490,930
Current accounts with other banks	12,560,200	-	12,560,200
Placement with Bank Indonesia and other banks	37,568,760	-	37,568,760
Marketable securities <sup>3)</sup>			
Government			
Fair value through profit or loss	4,319,700	-	4,319,700
Available for sale	1,615,886	-	1,615,886
At cost	405,881	-	405,881
Held to maturity	16,726	-	16,726
Non Government			
Fair value through profit or loss	3,189,247	-	3,189,247
Available for sale	18,285,290	-	18,285,290
Held to maturity	7,693,805	256,045	7,949,850
At cost	13,469,928	-	13,469,928
Government Bonds <sup>4)</sup>			
Fair value through profit or loss	5,040,996	-	5,040,996
Available for sale	96,664,454	-	96,664,454
Held to maturity	18,003,259	-	18,003,259
At cost	8,079,331	-	8,079,331
Other receivables-trade transactions	18,236,810	4,181,407	22,418,217
Securities purchased under agreements to resell	1,955,363	-	1,955,363
Derivatives receivables	1,617,476	-	1,617,476
Loans <sup>5)</sup>			
Corporate	248,865,875	85,543,126	334,409,001
Commercial	97,676,865	13,082,446	110,759,311
Retail	277,420,366	2,254,264	279,674,630
Sharia	71,119,651	-	71,119,651
Consumer financing receivables	16,993,116	-	16,993,116
Net Investment finance leases	2,845,500	-	2,845,500
Acceptance receivables	9,310,881	409,606	9,720,487
Other assets			
Accrued income	5,393,123	-	5,393,123
Receivables from customer transactions	1,304,877	-	1,304,877
Receivables from transactions			
related to ATM and credit card	595,697	-	595,697
Receivables to policyholders	147,564	-	147,564
Receivables from sale of marketable securities	75,789	-	75,789
Receivables from Government Bonds pledged as collateral	3,554,645	-	3,554,645
<b>Total</b>	<b>1,030,517,991</b>	<b>105,726,894</b>	<b>1,136,244,885</b>

<sup>1)</sup> Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.

<sup>2)</sup> Excluding marketable securities from investment from the Subsidiary's unit-link policyholder's with no credit risk.

<sup>3)</sup> Excluding government bonds from investments from Subsidiary's unit-link policyholders with no credit risk.



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**63. RISK MANAGEMENT (continued)**

A. Credit risk (continued)

- (i) Maximum exposure to credit risk before considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

c) Credit quality of financial assets (continued)

As of December 31, 2020 and 2019, details of the credit quality of administrative accounts that are neither past due nor impaired based on internal ratings are as follows:

	December 31, 2020		
	Not under monitoring <sup>1)</sup>	Under monitoring <sup>2)</sup>	Total
Administrative accounts			
Bank guarantees issued	62,837,071	35,242,061	98,079,132
Unused loan facilities <sup>1)</sup>	67,559,568	10,296,247	77,855,815
Outstanding irrevocable letters of credit	7,104,254	8,338,788	15,443,042
Standby letters of credit	7,058,544	3,415,773	10,474,317
	<b>144,559,437</b>	<b>57,292,869</b>	<b>201,852,306</b>

<sup>\*)</sup> Include committed and uncommitted credit card facilities

	December 31, 2019		
	Not under monitoring <sup>1)</sup>	Under monitoring <sup>2)</sup>	Total
Administrative accounts			
Bank guarantees issued	77,740,283	17,807,511	95,547,794
Committed unused loan facilities	35,361,189	3,371,168	38,732,357
Outstanding irrevocable letters of credit	13,628,050	3,185,799	16,813,849
Standby letters of credit	10,396,314	2,510,264	12,906,578
	<b>137,125,836</b>	<b>26,874,742</b>	<b>164,000,578</b>

The credit quality of financial assets that are neither past due nor impaired is explained as follows:

- 1) Not under monitoring, there is no doubt on the recovery of the financial assets.
- 2) Under monitoring.

**Bank Mandiri:**

There are certain considerations in relation to the debtor's ability in repaying the loan at maturity date. However, up to December 31, 2020 and 2019, there was no late payment in terms of principal installment as well as interest at maturity date. This amount includes credit exposure on marketable securities (export bills), other receivables - trade transactions and acceptance receivables with Bank Indonesia's collectibility at two (special mention) but with no overdue as of December 31, 2020 and 2019.

**Subsidiaries:**

Financial assets which have experienced past due in the past but no overdue as of December 31, 2020 and 2019.

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**63. RISK MANAGEMENT (continued)**

A. Credit risk (continued)

- (i) Maximum exposure to credit risk before considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

- c) Credit quality of financial assets (continued)

Aging analysis of financial assets that were past due, but not impaired as of December 31, 2020 and 2019 are as follows:

	December 31, 2020			
	1 - 30 days	31 - 60 days	61 - 90 days	Total
<b>Assets</b>				
Other receivables - trade transactions	3,274,634	-	-	3,274,634
Loans				
Corporate	9,470,200	-	-	9,470,200
Commercial	16,958,809	1,355,686	931,545	19,246,040
Retail	5,294,496	1,970,558	1,026,872	8,291,926
Sharia	120,247	80,526	120,506	321,279
Consumer financing receivables	1,071,544	261,604	107,177	1,440,325
Net investment finance leases	77,612	65,708	35,633	178,953
	<b>36,267,542</b>	<b>3,734,082</b>	<b>2,221,733</b>	<b>42,223,357</b>

	December 31, 2019			
	1 - 30 days	31 - 60 days	61 - 90 days	Total
<b>Assets</b>				
Other receivables - trade transactions	6,502,375	-	-	6,502,375
Loans				
Corporate	21,838	-	-	21,838
Commercial	511,024	69,720	290,380	871,124
Retail	6,663,463	1,739,707	1,316,879	9,720,049
Sharia	248,880	170,162	216,359	635,401
Consumer financing receivables	963,669	228,614	170,247	1,362,530
Net investment finance leases	74,146	43,160	65,071	182,377
	<b>14,985,395</b>	<b>2,251,363</b>	<b>2,058,936</b>	<b>19,295,694</b>

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**63. RISK MANAGEMENT (continued)**

A. Credit risk (continued)

(ii) Loans

The gross amount of impaired loans, along with the provision for impairment, by class of asset as of December 31, 2020 and 2019, are summarised in the tables below:

	December 31, 2020 <sup>1)</sup>				
	Corporate	Commercial	Retail	Sharia	Total
<b>Impaired (assessed individually)</b>					
Gross amount	4,167,980	17,219,210	236,869	1,107,878	22,731,937
Allowance for impairment losses	(3,675,190)	(15,577,895)	(208,841)	(740,904)	(20,202,830)
Carrying amount	492,790	1,641,315	28,028	366,974	2,529,107
<b>Impaired (assessed collectively)</b>					
Gross amount	156	619,342	3,511,264	11,198,445	15,329,207
Allowance for impairment losses	(135)	(536,290)	(2,215,638)	(1,729,693)	(4,481,756)
Carrying amount	21	83,052	1,295,626	9,468,752	10,847,451
Total gross amount	4,168,136	17,838,552	3,748,133	12,306,323	38,061,144
Allowance for impairment losses	(3,675,325)	(16,114,185)	(2,424,479)	(2,470,597)	(24,684,586)
<b>Total carrying amount</b>	<b>492,811</b>	<b>1,724,367</b>	<b>1,323,654</b>	<b>9,835,726</b>	<b>13,376,558</b>

<sup>1)</sup> Segment of Risk Management are classified into Corporate, Commercial, Retail and Sharia.

<sup>2)</sup> Represents restructured and non performing debtors which categorized as stage 3 in accordance with SFAS 71 "Financial Instruments" and loans with collectability of non-performing loans and loans that are calculated individually provided by a subsidiary engaged in Sharia Banking amounting to Rp12,306,323 with allowance for losses impairment amounting to Rp2,470,596

	December 31, 2019 <sup>1)</sup>				
	Corporate	Commercial	Retail	Sharia	Total
<b>Impaired (assessed individually)</b>					
Gross amount	29,668,029	32,418,201	1,144,055	814,820	64,045,105
Allowance for impairment losses	(4,663,478)	(14,663,017)	(451,096)	(604,973)	(20,382,564)
Carrying amount	25,004,551	17,755,184	692,959	209,847	43,662,541
<b>Impaired (assessed collectively)</b>					
Gross amount	1,271,077 <sup>2)</sup>	4,973,301 <sup>2)</sup>	5,730,846	2,603,903	14,579,127
Allowance for impairment losses	(2,300)	(622,990)	(1,769,668)	(610,343)	(3,005,301)
Carrying amount	1,268,777	4,350,311	3,961,178	1,993,560	11,573,826
Total gross amount	30,939,106	37,391,502	6,874,901	3,418,723	78,624,232
Allowance for impairment losses	(4,665,778)	(15,286,007)	(2,220,764)	(1,215,316)	(23,387,865)
<b>Total carrying amount</b>	<b>26,273,328</b>	<b>22,105,495</b>	<b>4,654,137</b>	<b>2,203,407</b>	<b>55,236,367</b>

<sup>1)</sup> Segment of Risk Management are classified into Corporate, Commercial, Retail and Sharia.

<sup>2)</sup> Represents restructured and non performing debtors which had been subject to individual assessment but impairment losses are not recognised and therefore are collectively assessed.

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**63. RISK MANAGEMENT (continued)**

A. Credit risk (continued)

(iii) Current accounts with other banks

	December 31, 2020		
	Non-impaired <sup>1)</sup>	Impaired	Total
Rupiah	1,019,563	-	1,019,563
Foreign currencies	23,025,729	3,079	23,028,808
<b>Total</b>	<b>24,045,292</b>	<b>3,079</b>	<b>24,048,371</b>
Less: allowance for impairment losses	(67,965)	(3,079)	(71,044)
<b>Net</b>	<b>23,977,327</b>	<b>-</b>	<b>23,977,327</b>

	December 31, 2019		
	Non-impaired <sup>1)</sup>	Impaired	Total
Rupiah	490,918	-	490,918
Foreign currencies	12,069,282	3,290	12,072,572
<b>Total</b>	<b>12,560,200</b>	<b>3,290</b>	<b>12,563,490</b>
Less: allowance for impairment losses	(1,903)	(3,290)	(5,193)
<b>Net</b>	<b>12,558,297</b>	<b>-</b>	<b>12,558,297</b>

<sup>1)</sup> Including financial assets of Subsidiary engaged in sharia banking which are assessed based on Bank Indonesia Regulation,

(iv) Placement with Bank Indonesia and other banks

	December 31, 2020		
	Non-impaired <sup>1)</sup>	Impaired	Total
Rupiah			
Bank Indonesia	35,732,489	-	35,732,489
Call money	1,780,000	-	1,780,000
Time deposits	1,308,099	-	1,308,099
	<b>38,820,588</b>	<b>-</b>	<b>38,820,588</b>
Foreign currencies			
Bank Indonesia	29,294,250	-	29,294,250
Call money	8,322,517	43,573	8,366,090
Placement "Fixed Term"	2,942,873	1,004	2,943,877
Time deposits	388,564	-	388,564
	<b>40,948,204</b>	<b>44,577</b>	<b>40,992,781</b>
<b>Total</b>	<b>79,768,792</b>	<b>44,577</b>	<b>79,813,369</b>
Less: allowance for impairment losses	(2,195)	(44,577)	(46,772)
<b>Net</b>	<b>79,766,597</b>	<b>-</b>	<b>79,766,597</b>

	December 31, 2019		
	Non-impaired <sup>1)</sup>	Impaired	Total
Rupiah			
Bank Indonesia	12,380,226	-	12,380,226
Call money	4,020,000	-	4,020,000
Time deposits	1,150,400	-	1,150,400
	<b>17,550,626</b>	<b>-</b>	<b>17,550,626</b>

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**63. RISK MANAGEMENT (continued)**

A. Credit risk (continued)

(iv) Placement with Bank Indonesia and other banks (continued)

	December 31, 2019		
	Non-impaired <sup>1)</sup>	Impaired	Total
Foreign currencies			
Bank Indonesia	8,468,325	-	8,468,325
Call money	8,090,026	46,601	8,136,627
Placement "Fixed Term"	2,792,032	1,074	2,793,106
Time deposits	667,751	-	667,751
	<u>20,018,134</u>	<u>47,675</u>	<u>20,065,809</u>
Total	37,568,760	47,675	37,616,435
Less: allowance for impairment losses	-	(47,675)	(47,675)
<b>Net</b>	<b><u>37,568,760</u></b>	<b><u>-</u></b>	<b><u>37,568,760</u></b>

<sup>1)</sup> Including financial assets of Subsidiary engaged in sharia banking which are assessed based on Bank Indonesia Regulation.

(v) Marketable securities

	December 31, 2020		
	Non-impaired <sup>1)</sup>	Impaired <sup>2)</sup>	Total
Government			
Rupiah			
Sharia corporation bonds	92,000	-	92,000
Bonds	897,306	-	897,306
Export bills	31,602	-	31,602
	<u>1,020,908</u>	<u>-</u>	<u>1,020,908</u>
Foreign currencies			
Treasury bills	2,601,175	-	2,601,175
Total	3,622,083	-	3,622,083
Non-government			
Rupiah			
Investments in mutual fund	4,295,974	-	4,295,974
Certificates of Bank Indonesia and Sharia	3,841,098	-	3,841,098
Sukuk Bank Indonesia	12,206,645	-	12,206,645
Bonds	11,733,595	-	11,733,595
Medium term notes	245,000	-	245,000
Sharia corporation bonds	1,838,601	-	1,838,601
Negotiable certificate of deposit	946,607	-	946,607
Shares	313,958	-	313,958
Export bills	952,248	-	952,248
Total	<u>36,373,726</u>	<u>-</u>	<u>36,373,726</u>
Foreign currencies			
Certificates of Bank Indonesia	4,497,492	-	4,497,492
Investments in mutual fund	3,245,455	-	3,245,455
Bonds	5,315,583	-	5,315,583
Export bills	627,328	-	627,328
Total	<u>13,685,858</u>	<u>-</u>	<u>13,685,858</u>
Total	<u>50,059,584</u>	<u>-</u>	<u>50,059,584</u>
	<b><u>53,681,667</u></b>	<b><u>-</u></b>	<b><u>53,681,667</u></b>
Less: allowance for impairment losses	(140,033)	-	(140,033)
<b>Net</b>	<b><u>53,541,634</u></b>	<b><u>-</u></b>	<b><u>53,541,634</u></b>

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**63. RISK MANAGEMENT (continued)**

A. Credit risk (continued)

(v) Marketable securities (continued)

	December 31, 2019		Total
	Non-impaired <sup>1)</sup>	Impaired <sup>2)</sup>	
Government			
Rupiah			
Bonds	2,768,698	-	2,768,698
Export bills	123,093	-	123,093
	2,891,791	-	2,891,791
Foreign currencies			
Treasury bills	3,466,402	-	3,466,402
<b>Total</b>	<b>6,358,193</b>	<b>-</b>	<b>6,358,193</b>
Non-government			
Rupiah			
Investments in mutual fund	4,174,652	-	4,174,652
Certificates of Bank Indonesia and Sharia	1,223,132	-	1,223,132
Sukuk Bank Indonesia	9,431,729	-	9,431,729
Bonds	11,342,344	-	11,342,344
Medium term notes	250,000	-	250,000
Sharia corporation bonds	3,163,600	-	3,163,600
Negotiable certificate of deposit	229,060	-	229,060
Shares	353,114	-	353,114
Export bills	717,386	29,345	746,731
<b>Total</b>	<b>30,885,017</b>	<b>29,345</b>	<b>30,914,362</b>
Foreign currencies			
Certificates of Bank Indonesia	2,149,755	-	2,149,755
Investments in mutual fund	3,193,387	-	3,193,387
Bonds	5,681,425	-	5,681,425
Export bills	984,731	39,973	1,024,704
<b>Total</b>	<b>12,009,298</b>	<b>39,973</b>	<b>12,049,271</b>
<b>Total</b>	<b>42,894,315</b>	<b>69,318</b>	<b>42,963,633</b>
	49,252,508	69,318	49,321,826
Less: allowance for impairment losses	(51,100)	(18,438)	(69,538)
<b>Net</b>	<b>49,201,408</b>	<b>50,880</b>	<b>49,252,288</b>

<sup>1)</sup> Including financial assets of Subsidiary engaged in sharia banking which are assessed based on Bank Indonesia Regulation.

<sup>2)</sup> Excluding marketable securities which are the investment from the Subsidiary's unit-link policyholders with no credit risk exposure.

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**63. RISK MANAGEMENT (continued)**

A. Credit risk (continued)

(vi) Other receivables - trade transactions

	December 31, 2020		
	Non-impaired <sup>1)</sup>	Impaired	Total
Rupiah			
Usance L/C payable at sight	868,129	13,638	881,767
Others	20,377,062	190,023	20,567,085
<b>Total</b>	<b>21,245,191</b>	<b>203,661</b>	<b>21,448,852</b>
Foreign currencies			
Usance L/C payable at sight	1,082,591	-	1,082,591
Others	6,488,343	976,078	7,464,421
<b>Total</b>	<b>7,570,934</b>	<b>976,078</b>	<b>8,547,012</b>
	28,816,125	1,179,739	29,995,864
Less: allowance for impairment losses	(508,037)	(1,179,739)	(1,687,776)
<b>Net</b>	<b>28,308,088</b>	<b>-</b>	<b>28,308,088</b>

	December 31, 2019		
	Non-impaired <sup>1)</sup>	Impaired	Total
Rupiah			
Usance L/C payable at sight	901,013	144,339	1,045,352
Others	20,381,696	277,886	20,659,582
<b>Total</b>	<b>21,282,709</b>	<b>422,225</b>	<b>21,704,934</b>
Foreign currencies			
Usance L/C payable at sight	1,426,827	101,482	1,528,309
Others	6,211,056	971,403	7,182,459
<b>Total</b>	<b>7,637,883</b>	<b>1,072,885</b>	<b>8,710,768</b>
	28,920,592	1,495,110	30,415,702
Less: allowance for impairment losses	(85,249)	(1,226,342)	(1,311,591)
<b>Net</b>	<b>28,835,343</b>	<b>268,768</b>	<b>29,104,111</b>

<sup>1)</sup> Including financial assets of Subsidiary engaged in sharia banking which are assessed based on Bank Indonesia Regulation.

(vii) Acceptance receivables

	December 31, 2020		
	Non-impaired	Impaired	Total
Rupiah	6,495,592	1,391	6,496,983
Foreign currencies	3,659,526	-	3,659,526
	10,155,118	1,391	10,156,509
Less: allowance for impairment losses	(121,434)	(1,391)	(122,825)
<b>Net</b>	<b>10,033,684</b>	<b>-</b>	<b>10,033,684</b>

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**63. RISK MANAGEMENT (continued)**

A. Credit risk (continued)

(vii) Acceptance receivables (continued)

	December 31, 2019		
	Non-impaired	Impaired	Total
Rupiah	4,948,214	320,969	5,269,183
Foreign currencies	4,772,273	238,383	5,010,656
	<b>9,720,487</b>	<b>559,352</b>	<b>10,279,839</b>
Less: allowance for impairment losses	(58,919)	(162,885)	(221,804)
<b>Net</b>	<b>9,661,568</b>	<b>396,467</b>	<b>10,058,035</b>

(viii) Consumer financing receivables

	December 31, 2020		
	Non-impaired	Impaired	Total
Rupiah	18,893,613	184,795	19,078,408
Less: allowance for impairment losses	(349,768)	(78,741)	(428,509)
<b>Net</b>	<b>18,543,845</b>	<b>106,054</b>	<b>18,649,899</b>

	December 31, 2019		
	Non-impaired	Impaired	Total
Rupiah	18,355,646	210,060	18,565,706
Less: allowance for impairment losses	(290,767)	(63,851)	(354,618)
<b>Net</b>	<b>18,064,879</b>	<b>146,209</b>	<b>18,211,088</b>

(ix) Securities purchased under agreements to resell

	December 31, 2020		
	Non-impaired	Impaired	Total
Rupiah Securities purchased under agreements to resell	55,094,456	-	55,094,456

	December 31, 2019		
	Non-impaired	Impaired	Total
Rupiah Securities purchased under agreements to resell	1,955,363	-	1,955,363



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**63. RISK MANAGEMENT (continued)**

A. Credit risk (continued)

(x) Net investment finance leases

	December 31, 2020		
	Non-impaired	Impaired	Total
Rupiah	3,551,335	30,087	3,581,422
Less: allowance for impairment losses	(48,681)	(10,274)	(58,955)
<b>Net</b>	<b>3,502,654</b>	<b>19,813</b>	<b>3,522,467</b>

	December 31, 2019		
	Non-impaired	Impaired	Total
Rupiah	3,027,877	27,194	3,055,071
Less: allowance for impairment losses	(7,474)	(508)	(7,982)
<b>Net</b>	<b>3,020,403</b>	<b>26,686</b>	<b>3,047,089</b>

(xi) Estimated losses on commitments and contingencies

	December 31, 2020		
	Non-impaired <sup>*)</sup>	Impaired	Total
Rupiah			
Bank guarantees issued	57,652,076	188,777	57,840,853
Unused loan facilities <sup>**)</sup>	57,938,578	73,788	58,012,366
Outstanding irrevocable letters of credit	4,868,670	2,329	4,870,999
Standby letters of credit	2,022,517	-	2,022,517
<b>Total</b>	<b>122,481,841</b>	<b>264,894</b>	<b>122,746,735</b>
Foreign currencies			
Bank guarantees issued	40,427,056	434	40,427,490
Unused loan facilities <sup>**)</sup>	20,485,513	766	20,486,279
Outstanding irrevocable letters of credit	10,574,372	-	10,574,372
Standby letters of credit	8,451,800	-	8,451,800
<b>Total</b>	<b>79,938,741</b>	<b>1,200</b>	<b>79,939,941</b>
	202,420,582	266,094	202,686,676
Less: allowance for impairment losses	(3,292,887)	(178,647)	(3,471,534)
<b>Net</b>	<b>199,127,695</b>	<b>87,447</b>	<b>199,215,142</b>

\*) Including financial assets of Subsidiary engaged in sharia banking which are assessed based on Bank Indonesia Regulation.

\*\*) Including balance amounted to Rp2,726,885 which is classified as "special mention" and the calculation of provision for impairment losses is collectively assessed based on Bank Indonesia Regulation amounted to Rp3,292,887.

\*\*\*) Include committed and uncommitted credit card facilities.

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**63. RISK MANAGEMENT (continued)**

A. Credit risk (continued)

(xi) Estimated losses on commitments and contingencies (continued)

	December 31, 2019		
	Non-impaired <sup>*)</sup>	Impaired	Total
Rupiah			
Bank guarantees issued	55,142,427	755,520	55,897,947
Committed unused loan facilities			
Outstanding irrevocable letters of credit	16,794,262	421,730	17,215,992
Standby letters of credit	3,988,133	564,547	4,552,680
	1,995,405	729,501	2,724,906
<b>Total</b>	<b>77,920,227</b>	<b>2,471,298</b>	<b>80,391,525</b>
Foreign currencies			
Bank guarantees issued	40,405,367	160,082	40,565,449
Committed unused loan facilities			
Outstanding irrevocable letters of credit	21,942,484	2,326	21,944,810
Standby letters of credit	12,825,716	186,957	13,012,673
	10,911,173	162,009	11,073,182
<b>Total</b>	<b>86,084,740</b>	<b>511,374</b>	<b>86,596,114</b>
	164,004,967	2,982,672	166,987,639
Less: allowance for impairment losses	(33,890)	(352,149)	(386,039)
<b>Net</b>	<b>163,971,077</b>	<b>2,630,523</b>	<b>166,601,600</b>

\*) Including financial assets of Subsidiary engaged in sharia banking which are assessed based on Bank Indonesia Regulation.

\*\*) Including balance amounted to Rp70,589 which is classified as "special mention" and the calculation of provision for impairment losses is collectively assessed based on Bank Indonesia Regulation amounted to Rp33,890.

B. Market risk and liquidity risk

(i) Liquidity risk management

Liquidity risk represents the Bank's inability to fulfill all financial liabilities when they become due from its financing cash flows and/or high quality liquid assets that can be pledged, without negatively impacting the Bank's activities and financial condition.

The Bank's liquidity risk is measured through several indicators, which include primary statutory reserve ratio in Bank Indonesia (GWM ratio) and cash, Macroprudential Liquidity Reserve (PLM), liquidity reserve, Macroprudential Intermediation Ratio (RIM), Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR) and dependency on large customer deposits.

GWM is a minimum deposits required to be maintained by the Bank in the form of current accounts with Bank Indonesia or marketable securities in which the amount is determined by Bank Indonesia based on certain percentage from total deposits from customers, Macroprudential Liquidity Reserve (PLM) is an ownership percentage in Rupiah marketable securities which can be used in open market operations i.e, SBI, SDBI and SBN.

As of December 31, 2020 (Bank Only), the Bank maintained Rupiah primary statutory reserve of 3.50% from total outstanding deposit from customers denominated in Rupiah in accordance with the regulated limit, while for RIM ratio is 0.00% and PLM ratio of 23.50% from the outstanding deposit from customer denominated in Rupiah. Meanwhile for the foreign exchange, the Bank maintained average foreign exchange statutory deposits at 4.10% from the outstanding deposits from customer denominated in foreign exchange in accordance with the regulated limit.

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**63. RISK MANAGEMENT (continued)**

B. Market risk and liquidity risk (continued)

(i) Liquidity risk management (continued)

Liquidity reserve is the Bank's liquidity on top of primary reserve as liquidity statutory reserve to anticipate unscheduled liquidity needs. In managing the liquidity reserve, Bank has liquidity reserve limit in the form of safety level limit, which represents the Bank's liquidity reserve projection for one following month. As of December 31, 2020, the liquidity reserve balance is above the safety level.

RIM is a ratio of loans and qualified marketable securities owned by the Bank to the customer deposits, qualified debt securities issued by the Bank and qualified borrowing received by the Bank. As of December 31, 2020, the Bank's RIM is 80.84%.

Liquidity Coverage Ratio (LCR) is a ratio between High Quality Liquid Assets (HQLA) with the estimation of total net cash outflow for the next 30 (thirty) days under a crisis scenario. LCR is used to improve the short-term liquidity of the Bank under a crisis conditions. As of December 31, 2020, the Bank's LCR is 217.53%.

Net Stable Funding Ratio (NSFR) is a ratio of the available stable funding to required stable funding. As of December 31, 2020, the Bank's NSFR is 126.10%.

The Bank uses liquidity gap methodology to project its liquidity conditions for the future. Liquidity gap is basically a maturity mismatch between components of assets and liabilities (including off-balance sheet), which are classified into time bucket based on their contractual maturity or behavioral maturity. As of December 31, 2020, the Bank's liquidity forecast up to next 12 months is at a surplus position. Even in the surplus position for the next 12 months, the Bank always prepares for alternative funding to anticipate tight liquidity in the market or the liquidity is not as expected.

To determine the impact of changes in market factors and internal factors under extreme conditions (crisis) to the liquidity, the Bank conducts stress testing of liquidity risk on a regular basis. The results of stress-testing performed was presented to the Management. The stress-testing result showed that the Bank will be able to survive under liquidity crisis conditions.

Even the stress testing result showed liquidity risk is well managed, Bank has Liquidity Contingency Plan (LCP) which cover funding strategy and pricing strategy including money market borrowing, repo, bilateral borrowing, FX swap and wholesale funding. In LCP, determination of liquidity situations and funding strategies have considered external and internal conditions.

To anticipate liquidity risks due to volatility of global economic condition, Bank Mandiri monitors external indicators, including 1-week JIBOR, BI 7-days RR, 10-years SUN Yield, Outstanding Bank Rupiah Liquidity, Composite Stock Price Index (IHSG), Rate Interbank Call Money, 10-years UST Yield, USD/IDR Exchange Rate, Indonesia's 5-years Credit Default Swap (CDS), and the current market informations.

The maturity profile as of December 31, 2020 and 2019 are based on the remaining period from these dates. Historically, there were a large portion of deposits to be renewed upon maturity. In addition, if there is a need for liquidity, Government Bonds (at fair value through profit or loss and fair value through other comprehensive income) can be exercised by utilizing as collateral in interbank market.

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**63. RISK MANAGEMENT (continued)**

**B. Market risk and liquidity risk (continued)**

**(i) Liquidity risk management (continued)**

The maturity profile of financial assets and liabilities presented using discounted cash flows method are as follows:

December 31, 2020								
Description	Total	No Maturity Contract	≤ 1 month	> 1 month - ≤ 3 months	> 3 months - ≤ 6 months	> 6 months - ≤ 12 months	> 1 year - ≤ 3 years	> 3 years
<b>Assets</b>								
Current accounts with Bank Indonesia	49,638,625	-	49,638,625	-	-	-	-	-
Current accounts with other banks - gross	24,048,371	-	24,045,292	-	-	-	-	3,079
Placement with Bank Indonesia and other banks	79,813,369	-	78,955,066	497,650	295,093	20,000	146	45,414
Marketable securities - gross	80,040,803	26,974,497	12,486,109	4,912,143	5,751,401	5,264,447	13,564,240	11,087,966
Government bonds	159,690,627	-	23,053	864,447	11,098,641	5,231,358	50,138,390	92,334,738
Other receivables-trade transactions - gross	29,995,864	-	7,029,795	13,730,684	7,645,753	423,531	-	1,166,101
Securities purchased under resale agreements - gross	55,094,456	-	52,597,058	2,021,470	387,414	88,514	-	-
Derivative receivables - gross	2,578,947	-	808,961	430,578	239,126	262,137	594,660	243,485
Loans - gross	870,145,465	-	59,938,343	42,470,227	41,283,753	65,579,329	146,485,148	514,388,665
Consumer financing receivables-gross	19,078,408	-	466,122	1,071,580	1,531,932	2,717,580	6,928,527	6,362,667
Net Investment finance leases - gross	3,581,422	-	165,707	323,022	513,545	883,430	1,594,509	101,209
Acceptance receivables - gross	10,156,509	-	3,532,920	3,115,485	3,502,625	5,479	-	-
Other asset - gross <sup>*)</sup>	14,937,369	223,556	6,383,794	150,055	158,870	271,138	774,162	6,975,794
	<b>1,398,800,235</b>	<b>27,198,053</b>	<b>296,070,845</b>	<b>69,587,341</b>	<b>72,408,153</b>	<b>80,746,943</b>	<b>220,079,782</b>	<b>632,709,118</b>
Allowance for impairment Losses	(64,840,172)							
<b>Total</b>	<b>1,333,960,063</b>							
<b>Liabilities</b>								
Deposits from customers								
Demand deposits	304,450,291	-	304,450,291	-	-	-	-	-
Savings deposits	351,362,191	-	351,362,191	-	-	-	-	-
Time deposits	307,781,280	-	171,073,621	117,417,841	12,650,546	5,946,093	693,179	-
Deposits from other banks								
Demand and saving deposits	4,122,630	-	4,122,630	-	-	-	-	-
Interbank call money	655,829	-	365,544	161,270	129,015	-	-	-
Time deposits	1,891,237	-	641,719	708,312	299,106	242,100	-	-
Securities sold under agreements to repurchase	1,330,068	-	-	111,757	684,680	-	533,631	-
Derivatives liabilities	1,570,506	-	262,812	179,467	34,242	272,923	636,808	184,254
Acceptance liabilities	10,156,509	-	3,532,920	3,115,485	3,502,625	5,479	-	-
Debt securities issued	38,111,472	-	65,086	-	679,758	1,194,896	9,470,945	26,700,787
Accrued expenses	5,650,785	-	4,934,578	-	-	716,207	-	-
Other liabilities <sup>**)</sup>	5,551,368	242,591	3,992,439	745,428	2,774	110,083	358,886	99,167
Fund borrowings	52,810,689	-	3,687,229	10,568,591	7,061,095	7,153,309	11,957,235	12,383,230
Subordinates loans and marketable securities	650,966	-	8,423	-	-	8,423	33,691	600,429
	<b>1,086,095,821</b>	<b>242,591</b>	<b>848,499,483</b>	<b>133,008,151</b>	<b>25,043,841</b>	<b>15,649,513</b>	<b>23,684,375</b>	<b>39,967,867</b>
<b>Maturity gap</b>	<b>312,704,414</b>	<b>26,955,462</b>	<b>(552,428,638)</b>	<b>(63,420,810)</b>	<b>47,364,312</b>	<b>65,097,430</b>	<b>196,395,407</b>	<b>592,741,251</b>
<b>Net positions, net of allowance for impairment losses</b>	<b>247,864,242</b>							

<sup>\*)</sup> Other assets consists of accrued income, receivables from government bonds pledged as collateral, receivables from customer transactions, receivables from transaction related to ATM and credit card, and receivables from policyholder.

<sup>\*\*)</sup> Other liabilities consists of customers transfer transaction, liabilities related to ATM and credit card transactions, guarantee deposits, lease liabilities, other liabilities related to UPAS transactions and claim payables.

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**63. RISK MANAGEMENT (continued)**

**B. Market risk and liquidity risk (continued)**

**(i) Liquidity risk management (continued)**

The maturity profile of financial assets and liabilities presented using discounted cash flows method are as follows (continued):

December 31, 2019								
Description	Total	No Maturity Contract	≤ 1 month	> 1 month - ≤ 3 months	> 3 months - ≤ 6 months	> 6 months - ≤ 12 months	> 1 year - ≤ 3 years	> 3 years
<b>Assets</b>								
Current accounts with Bank Indonesia	46,490,930	-	46,490,930	-	-	-	-	-
Current accounts with other banks - gross	12,563,490	-	12,560,200	-	-	-	-	3,290
Placement with Bank Indonesia and other banks	37,616,435	-	36,764,473	547,417	255,898	-	47,675	972
Marketable securities - gross	71,332,906	22,610,132	12,104,435	3,960,743	4,291,788	4,424,596	9,555,722	14,385,490
Government bonds	129,000,300	-	-	6,555,758	1,251,428	16,081,510	30,613,260	74,498,344
Other receivables-trade transactions - gross	30,415,702	-	7,094,900	13,626,197	8,485,162	51,698	47,359	1,110,386
Securities purchased under resale agreements - gross	1,955,363	-	1,830,404	-	100,229	24,730	-	-
Derivative receivables - gross	1,617,476	-	447,026	280,155	72,690	196,035	130,477	491,093
Loans - gross	885,835,237	-	84,495,249	40,565,045	55,064,536	69,544,986	148,025,156	488,140,265
Consumer financing receivables-gross	18,565,706	-	884,262	1,268,471	1,324,345	2,562,052	6,497,141	6,029,435
Net Investment finance leases - gross	3,055,071	-	151,564	300,764	427,000	746,415	1,363,886	65,442
Acceptance receivables - gross	10,279,839	-	2,888,591	4,075,099	3,252,199	63,950	-	-
Other asset - gross <sup>1)</sup>	11,082,306	147,564	4,247,866	156,113	183,734	243,576	832,507	5,270,946
	<b>1,259,810,761</b>	<b>22,757,696</b>	<b>209,959,900</b>	<b>71,335,762</b>	<b>74,709,009</b>	<b>93,939,548</b>	<b>197,113,183</b>	<b>589,995,663</b>
Allowance for impairment losses	(32,017,403)	-	-	-	-	-	-	-
<b>Total</b>	<b>1,227,793,358</b>	<b>22,757,696</b>	<b>209,959,900</b>	<b>71,335,762</b>	<b>74,709,009</b>	<b>93,939,548</b>	<b>197,113,183</b>	<b>589,995,663</b>
<b>Liabilities</b>								
Deposits from customers								
Demand deposits	247,444,267	-	247,444,267	-	-	-	-	-
Savings deposits	324,488,072	-	324,488,072	-	-	-	-	-
Time deposits	278,176,006	-	147,291,253	98,723,529	12,041,707	18,658,171	1,461,346	-
Deposits from other banks								
Demand and saving deposits	7,748,268	-	7,748,268	-	-	-	-	-
Interbank call money	219,360	-	159,534	59,826	-	-	-	-
Time deposits	5,430,238	-	2,742,501	2,267,137	1,700	418,300	600	-
Securities sold under agreements to repurchase	3,782,055	-	2,289,507	922,560	-	70,766	499,222	-
Derivatives liabilities	1,195,022	-	166,391	116,724	58,629	113,751	336,400	403,127
Acceptance liabilities	10,279,839	-	2,888,591	4,075,099	3,252,199	63,950	-	-
Debt securities issued	32,245,270	-	65,417	-	1,817,657	1,595,488	6,117,276	22,649,432
Accrued expenses	6,215,561	529,317	5,686,244	-	-	-	-	-
Other liabilities <sup>2)</sup>	3,701,639	138,569	2,418,575	969,342	175,153	-	-	-
Fund borrowings	54,128,562	-	3,453,146	5,621,115	4,606,585	14,664,213	12,839,027	12,944,476
Subordinates loans and marketable securities	664,217	-	8,252	-	-	8,252	24,755	622,958
	<b>975,718,376</b>	<b>667,886</b>	<b>746,850,018</b>	<b>112,755,332</b>	<b>21,953,630</b>	<b>35,592,891</b>	<b>21,278,626</b>	<b>36,619,993</b>
<b>Maturity gap</b>	<b>284,092,385</b>	<b>22,089,810</b>	<b>(536,890,118)</b>	<b>(41,419,570)</b>	<b>52,755,379</b>	<b>58,346,657</b>	<b>175,834,557</b>	<b>553,375,670</b>
<b>Net positions, net of allowance for impairment losses</b>	<b>252,074,982</b>	<b>22,089,810</b>	<b>(536,890,118)</b>	<b>(41,419,570)</b>	<b>52,755,379</b>	<b>58,346,657</b>	<b>175,834,557</b>	<b>553,375,670</b>

<sup>1)</sup> Other assets consists of accrued income, receivables from government bonds pledged as collateral, receivables from customer transactions, receivables from sale marketable securities, receivables from transaction related to ATM and credit card, and receivables from policyholder.

<sup>2)</sup> Other liabilities consists of customers transfer transaction, liabilities related to ATM and credit card transactions, guarantee deposits, payable from purchase of marketable securities, other liabilities related to UPAS transactions and claim payables.

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**63. RISK MANAGEMENT (continued)**

B. Market risk and liquidity risk (continued)

(i) Liquidity risk management (continued)

The following maturity table provides information regarding contractual maturities of financial liabilities based on undiscounted cash flows as of December 31, 2020 and 2019 as follows:

December 31, 2020								
Description	Total	No Maturity Contract	≤ 1 month	> 1 month - ≤ 3 months	> 3 months - ≤ 6 months	> 6 months - ≤ 12 months	> 1 year - ≤ 3 years	> 3 years
<b>Liabilities</b>								
Deposit from customers								
Demand deposits	304,829,070	-	304,829,070	-	-	-	-	-
Saving deposits	351,625,719	-	351,577,428	11,526	9,490	14,954	7,613	4,708
Time deposits	309,623,088	-	171,859,090	118,155,695	12,855,802	6,048,901	703,600	-
Deposits from other banks								
Demand and saving deposits	4,126,528	-	4,126,528	-	-	-	-	-
Interbank call money	659,891	-	367,407	162,543	129,941	-	-	-
Time deposits	2,002,005	-	737,162	709,452	309,404	245,987	-	-
Securities sold under agreements to repurchase	1,351,901	-	-	113,067	688,021	-	550,813	-
Derivative payables	1,960,034	-	299,094	271,759	94,156	493,495	658,513	143,017
Acceptance payables	10,156,509	-	3,532,920	3,115,485	3,502,625	5,479	-	-
Debt securities issued	46,827,651	-	65,086	418,400	1,497,767	2,203,681	13,108,669	29,534,048
Accrued expenses	5,650,785	-	4,934,578	-	-	716,207	-	-
Other liabilities	5,598,785	242,591	3,992,658	745,510	3,653	131,681	377,334	105,358
Fund borrowings	54,789,802	-	4,502,362	10,251,439	7,207,076	7,056,770	12,528,210	13,243,945
Subordinated loans and marketable securities	783,861	-	12,149	7,453	11,180	30,782	108,980	613,317
<b>Total</b>	<b>1,099,985,629</b>	<b>242,591</b>	<b>850,835,532</b>	<b>133,962,329</b>	<b>26,309,115</b>	<b>16,947,937</b>	<b>28,043,732</b>	<b>43,644,393</b>

December 31, 2019								
Description	Total	No Maturity Contract	≤ 1 month	> 1 month - ≤ 3 months	> 3 months - ≤ 6 months	> 6 months - ≤ 12 months	> 1 year - ≤ 3 years	> 3 years
<b>Liabilities</b>								
Deposit from customers								
Demand deposits	247,804,330	-	247,804,330	-	-	-	-	-
Saving deposits	324,761,507	-	324,739,543	2,182	3,158	8,603	5,073	2,948
Time deposits	281,097,825	-	148,500,361	99,585,281	12,458,704	19,078,217	1,475,262	-
Deposits from other banks								
Demand and saving deposits	7,759,275	-	7,759,275	-	-	-	-	-
Interbank call money	220,204	-	160,078	60,126	-	-	-	-
Time deposits	5,477,376	-	2,772,044	2,272,405	1,735	430,590	602	-
Securities sold under agreements to repurchase	3,800,274	-	2,293,702	925,164	-	71,274	510,134	-
Derivative payables	1,275,014	-	163,976	138,561	98,945	192,115	566,500	114,917
Acceptance payables	10,279,839	-	2,888,591	4,075,099	3,252,199	63,950	-	-
Debt securities issued	38,557,565	-	65,417	213,981	2,261,310	2,253,788	8,735,865	25,027,204
Accrued expenses	6,215,561	529,317	5,686,244	-	-	-	-	-
Other liabilities	3,701,639	138,569	2,418,575	969,342	175,153	-	-	-
Fund borrowings	56,949,984	-	3,552,661	5,751,039	4,771,677	14,933,191	14,327,028	13,614,388
Subordinated loans and marketable securities	837,824	-	20,271	-	10,479	30,941	122,147	653,986
<b>Total</b>	<b>988,738,217</b>	<b>667,886</b>	<b>748,825,068</b>	<b>113,993,180</b>	<b>23,033,360</b>	<b>37,062,669</b>	<b>25,742,611</b>	<b>39,413,443</b>

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**63. RISK MANAGEMENT (continued)**

B. Market risk and liquidity risk (continued)

(i) Liquidity risk management (continued)

The following maturity table provides information regarding contractual maturities of administrative accounts based on undiscounted cash flows as of December 31, 2020 and 2019 as follows:

December 31, 2020								
Description	Total	No Maturity Contract	≤1 month	>1 month - ≤3 months	>3 months - ≤6 months	>6 months - ≤12 months	> 1 year - ≤3 years	>3 years
Administrative accounts								
Bank guarantees issued	98,268,343	-	98,268,343	-	-	-	-	-
Unused loan facilities <sup>7</sup>	78,498,645	-	78,498,645	-	-	-	-	-
Outstanding irrevocable letters of credit	15,445,371	-	2,566,569	5,625,825	2,388,901	1,947,578	2,025,090	891,408
Standby letter of credit	10,474,317	-	10,474,317	-	-	-	-	-
	<b>202,686,676</b>	<b>-</b>	<b>189,807,874</b>	<b>5,625,825</b>	<b>2,388,901</b>	<b>1,947,578</b>	<b>2,025,090</b>	<b>891,408</b>

\*) Include committed and uncommitted credit card facilities

December 31, 2019								
Description	Total	No Maturity Contract	≤1 month	>1 month - ≤3 months	>3 months - ≤6 months	>6 months - ≤12 months	> 1 year - ≤3 years	>3 years
Administrative accounts								
Bank guarantees issued	96,463,396	-	96,463,396	-	-	-	-	-
Committed unused loan facilities	39,160,802	-	39,160,802	-	-	-	-	-
Outstanding irrevocable letters of credit	17,565,353	-	3,464,223	7,375,340	2,922,103	2,145,340	1,658,347	-
Standby letter of credit	13,798,088	-	13,798,088	-	-	-	-	-
	<b>166,987,639</b>	<b>-</b>	<b>152,886,509</b>	<b>7,375,340</b>	<b>2,922,103</b>	<b>2,145,340</b>	<b>1,658,347</b>	<b>-</b>

(ii) Interest rate risk management on banking book portfolio

Market risk is the risk of balance sheet position and administrative accounts, including derivative transactions, resulted from changes in market conditions, including changes in option price risk.

Managing market risk on banking book is performed by optimising the structure of the Bank's statement of financial position to obtain maximum yield of return at acceptable risk level to the Bank. The monitoring of market risk on banking book is performed by setting a limit which is refer to the regulator requirements and the internal policies, which are monitored on a weekly and monthly basis by the Market Risk Management Unit.

The sources of banking book's interest rate risk are repricing risk (repricing mismatch between asset and liability components), basis risk (usage of different interest rate reference), yield curve risk (changes in shape and slope of the yield curve) and the option risk (loan repayment or redeem of deposit before maturity). The Bank uses the repricing gap and performs sensitivity analysis to obtain the projected Net Interest Income (NII).

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**63. RISK MANAGEMENT (continued)**

B. Market risk and liquidity risk (continued)

(ii) Interest rate risk management on banking book portfolio (continued)

a. Sensitivity of net interest income

The table below shows the sensitivity of net income for the next 1 year to interest rate movement of interest bearing assets and liabilities of Bank Mandiri as of December 31, 2020 and 2019 (Bank Mandiri only) as follows:

	<u>Increased by 400 bps</u>	<u>Decreased by 400 bps</u>
<b>December 31, 2020</b> <sup>*)</sup>		
Increase/(decrease) net interest income (Rp billion)	3,088.36	(5,328.19)
	<u>Increased by 400 bps</u>	<u>Decreased by 400 bps</u>
<b>December 31, 2019</b> <sup>*)</sup>		
Increase/(decrease) net interest income (Rp billion)	3,627.54	(3,625.31)

<sup>\*)</sup> There was a change in the calculation following FSA circular letter No.12/SEOJK.03/2018 regarding implementation of Risk Management and Standard Approach of Risk Measurement for interest rate risk in banking book for commercial bank, started from June 2019

The above projections assumed that all other variables are held constant at reporting date.

b. Sensitivity of interest income from available for sale marketable securities

The table below shows the sensitivity of Bank Mandiri's interest income from available for sale marketable securities to movement of interest rates as of December 31, 2020 and 2019 (Bank Mandiri only) as follows:

	<u>Increased by 400 bps</u>	<u>Decreased by 400 bps</u>
<b>December 31, 2020</b> <sup>*)</sup>		
Increase/(decrease) interest income (Rp billion)	261.61	(259.41)
	<u>Increased by 400 bps</u>	<u>Decreased by 400 bps</u>
<b>December 31, 2019</b> <sup>*)</sup>		
Increase/(decrease) interest income (Rp billion)	650.41	(646.72)

<sup>\*)</sup> There was a change in the calculation following FSA circular letter No. 12/SEOJK.03/2018 regarding implementation of Risk Management and Standard Approach of Risk Measurement for interest rate risk in banking book for commercial bank, started from June 2019

The above projections assumed that all other variables are held constant at reporting date.

The sensitivities of interest income from available for sale marketable securities do not incorporate hedging and actions that Bank Mandiri would take to mitigate the impact of this interest rate risk. In practice, Bank Mandiri proactively seeks to mitigate the effect of prospective interest movements.



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**63. RISK MANAGEMENT (continued)**

A. Market risk and liquidity risk (continued)

(ii) Interest rate risk management on banking book portfolio (continued)

c. Bank Mandiri's exposure to interest rate risk (repricing gap)

The tables below summarise Bank Mandiri's financial asset and liabilities at carrying amounts categorised by earlier of contractual repricing date or maturity dates:

	December 31, 2020 <sup>1</sup>										
	Interest bearing								Non interest bearing	Total	
	Less than or equal to 1 month	Over 1 month but not more than 3 months	Over 3 months but not more than 1 year	Over 1 year but not more than 2 years	Over 2 years but not more than 3 years	Over 3 years but not more than 4 years	Over 4 years but not more than 5 years	Over 5 years			
Current accounts with Bank Indonesia	-	-	-	-	-	-	-	-	-	49,638,625	49,638,625
Current accounts with other banks	18,166,851	215	-	-	-	-	-	-	-	5,881,305	24,048,371
Placements with Bank Indonesia and other banks	78,885,066	567,650	315,093	-	146	394	444	44,576	-	-	79,813,369
Marketable securities	12,480,487	4,897,522	11,036,090	5,706,188	7,858,051	1,352,835	4,030,839	5,704,292	26,974,499	-	80,040,803
Government bonds	-	4,347,781	12,729,825	21,541,491	28,948,695	23,766,836	23,986,147	44,369,852	-	-	159,690,627
Other receivables - trade transactions	7,029,795	13,730,684	8,069,284	-	-	-	-	1,122,022	44,079	-	29,995,864
Securities purchased under resale agreements	52,597,058	2,021,470	475,928	-	-	-	-	-	-	-	55,094,456
Derivative receivables	-	14,448	191,802	54,119	547,959	92,833	4,944	-	1,672,842	-	2,578,947
Loans	123,318,930	353,420,411	158,146,353	42,562,299	27,057,436	11,076,905	4,519,760	66,820,563	83,222,808	-	870,145,465
Consumer financing receivables	622,421	1,391,233	5,299,883	5,551,270	3,752,335	1,932,101	526,350	2,815	-	-	19,078,408
Net investment finance leases	165,705	323,022	1,396,976	1,162,346	432,164	97,128	4,081	-	-	-	3,581,422
Acceptance receivables	-	-	-	-	-	-	-	-	10,156,509	-	10,156,509
Other assets	-	-	-	-	-	-	-	14,937,369	-	-	14,937,369
	293,266,313	380,714,436	197,661,234	76,577,713	68,596,786	38,319,032	33,072,565	133,001,489	177,590,667	-	1,398,800,235
Deposits from customers											
Demand deposits and wadiah demand deposits	70,531,775	6,001,214	27,005,462	36,007,282	36,007,282	36,007,282	36,007,282	36,007,282	20,875,430	-	304,450,291
Saving deposits and wadiah saving deposits	86,504,781	7,247,804	32,587,695	43,423,191	43,419,758	43,419,311	43,418,724	43,419,676	7,921,251	-	351,362,191
Time deposits	167,995,290	119,908,351	19,479,093	398,546	-	-	-	-	-	-	307,781,280
Deposits from other banks											
Demand and saving deposits	681,929	94,555	425,496	567,327	567,327	567,327	567,327	567,327	84,015	-	4,122,630
Interbank call money	655,829	-	-	-	-	-	-	-	-	-	655,829
Time deposits	288,346	1,004,929	597,962	-	-	-	-	-	-	-	1,891,237
Securities sold under agreements to repurchase	-	111,757	684,680	-	533,631	-	-	-	-	-	1,330,068
Derivative payables	-	14,331	242,068	61,890	543,523	92,081	4,904	-	611,709	-	1,570,506
Acceptance payables	-	-	-	-	-	-	-	-	10,156,509	-	10,156,509
Debt securities issued	-	-	1,874,969	4,530,265	7,343,035	14,622,668	7,715,062	1,650,473	375,000	-	38,111,472
Accrued expenses	-	-	-	-	-	-	-	-	5,650,785	-	5,650,785
Other liabilities	7,163	6,276	57,326	259,557	154,860	3,059	96,109	4,967,018	-	-	5,551,368
Fund borrowings	1,427,426	16,956,652	27,668,730	3,204,665	2,399,057	940,691	-	213,468	-	-	52,810,689
Subordinated loans and marketable securities	-	-	-	-	-	-	-	650,966	-	-	650,966
	328,092,539	151,345,869	110,623,481	88,452,723	90,968,473	95,652,419	87,809,408	87,476,210	45,674,699	-	1,086,095,821
<b>Total interest repricing gap</b>	<b>(34,826,226)</b>	<b>229,368,567</b>	<b>87,037,753</b>	<b>(11,875,010)</b>	<b>(22,371,687)</b>	<b>(57,333,387)</b>	<b>(54,736,843)</b>	<b>45,525,279</b>	<b>131,915,968</b>	<b>-</b>	<b>312,704,414</b>

<sup>1</sup> There was a change in the calculation following SEOJK regarding Interest Rate Risk in Banking Book (IRRBB) No. 12/SEOJK/03/2018 dated August 21, 2018.  
<sup>2</sup> Represent receivables/and financing from subsidiary engaged in sharia business which earn margin and profit sharing.

These consolidated financial statements are originally issued in the Indonesian language.

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**63. RISK MANAGEMENT (continued)**

**B. Market risk and liquidity risk (continued)**

**(ii) Interest rate risk management (continued)**

**c. Bank Mandiri's exposure to interest rate risk (repricing gap) (continued)**

The tables below summarise Bank Mandiri's financial asset and liabilities at carrying amounts categorised by earlier of contractual repricing date or maturity dates (continued):

	December 31, 2019 <sup>a)</sup>									
	Interest bearing								Non interest bearing	Total
	Less than or equal to 1 month	Over 1 month but not more than 3 months	Over 3 months but not more than 1 year	Over 1 year but not more than 2 years	Over 2 years but not more than 3 years	Over 3 years but not more than 4 years	Over 4 years but not more than 5 years	Over 5 years		
Current accounts with Bank Indonesia	-	-	-	-	-	-	-	-	46,490,930	46,490,930
Current accounts with other banks	10,736,242	-	-	-	-	-	-	-	1,827,248	12,563,490
Placements with Bank Indonesia and other banks	30,941,392	414,008	300,535	-	-	-	-	-	5,960,500	37,616,435
Marketable securities	12,359,572	3,960,743	8,716,384	3,711,250	5,844,472	6,592,370	1,146,942	6,646,178	22,354,995	71,332,906
Government bonds	13,868,407	6,555,759	3,464,529	14,943,947	15,669,315	21,417,387	16,595,360	36,485,596	-	129,000,300
Other receivables - trade transactions	7,050,821	13,626,197	8,536,860	47,359	-	-	-	1,110,386	44,079	30,415,702
Securities purchased under resale agreements	1,831,089	-	124,274	-	-	-	-	-	-	1,955,363
Derivative receivables	3,111	37,575	26,751	93,401	9,825	442,890	23,794	-	980,129	1,617,476
Loans	146,698,796	350,698,252	165,646,704	37,825,603	27,977,678	14,270,948	6,969,935	60,573,533	75,173,788 <sup>b)</sup>	885,835,237
Consumer financing receivables	1,052,807	1,565,876	4,819,409	5,144,520	3,528,383	1,855,938	598,304	469	-	18,565,706
Net investment finance leases	151,566	300,764	1,173,415	992,968	370,918	58,622	6,818	-	-	3,055,071
Acceptance receivables	-	-	-	-	-	-	-	-	10,279,839	10,279,839
Other assets	-	-	-	-	-	-	-	11,082,306	-	11,082,306
	<b>224,693,803</b>	<b>377,159,174</b>	<b>192,808,861</b>	<b>62,759,048</b>	<b>53,400,591</b>	<b>44,638,155</b>	<b>25,341,153</b>	<b>115,898,468</b>	<b>163,111,508</b>	<b>1,259,810,761</b>
Deposits from customers										
Demand deposits and wadiah demand deposits	58,778,705	4,990,289	22,456,301	29,941,734	29,941,734	29,941,734	29,941,734	29,941,734	11,510,302	247,444,267
Saving deposits and wadiah saving deposits	79,782,298	6,750,269	30,378,153	40,492,172	40,489,943	40,489,217	40,489,269	40,490,025	5,126,726	324,488,072
Time deposits	151,633,441	95,178,850	30,203,318	1,160,397	-	-	-	-	-	278,176,006
Deposits from other banks										
Demand and saving deposits	1,502,683	174,041	783,184	1,044,245	1,044,245	1,044,245	1,044,245	1,044,245	67,135	7,748,268
Interbank call money	159,535	59,825	-	-	-	-	-	-	-	219,360
Time deposits	2,724,641	2,425,351	280,246	-	-	-	-	-	-	5,430,238
Securities sold under agreements to repurchase	2,287,749	921,852	70,712	-	501,742	-	-	-	-	3,782,055
Derivative payables	-	2,923	10,404	254,835	68,867	399,504	17,589	-	440,900	1,195,022
Acceptance payables	-	-	-	-	-	-	-	-	10,279,839	10,279,839
Debt securities issued	-	-	3,177,225	1,847,281	4,475,816	4,477,050	14,497,762	3,395,136	375,000	32,245,270
Accrued expenses	-	-	-	-	-	-	-	-	6,215,561	6,215,561
Other liabilities	-	-	-	-	-	-	-	3,701,639	-	3,701,639
Fund borrowings	4,436,438	16,893,818	27,138,964	3,232,326	1,847,610	520,727	58,679	-	-	54,128,562
Subordinated loans and marketable securities	-	-	-	-	499,171	-	-	165,046	-	664,217
	<b>301,305,490</b>	<b>127,397,218</b>	<b>114,498,507</b>	<b>77,972,990</b>	<b>78,869,128</b>	<b>76,872,477</b>	<b>86,049,278</b>	<b>78,737,825</b>	<b>34,015,463</b>	<b>975,718,376</b>
<b>Total interest repricing gap</b>	<b>(76,611,687)</b>	<b>249,761,956</b>	<b>78,310,354</b>	<b>(15,213,942)</b>	<b>(25,468,537)</b>	<b>(32,234,322)</b>	<b>(60,708,125)</b>	<b>37,160,643</b>	<b>129,096,045</b>	<b>284,092,385</b>

<sup>a)</sup> There was a change in the calculation following SEOJK regarding Interest Rate Risk in Banking Book (IRRBB) No. 12/SEOJK.03/2018 dated August 21, 2018.  
<sup>b)</sup> Represent receivables/and financing from subsidiary engaged in sharia business which earn margin and profit sharing.

To assess the impact of changes in interest rates and exchange rates at extreme conditions (crisis) to earnings and capital, the Bank conducts stress testing on the market risk of banking book regularly.

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**63. RISK MANAGEMENT (continued)**

B. Market risk and liquidity risk (continued)

(iii) Pricing management

The Bank implements pricing policy for loans or deposit products, The pricing policy is one of the Bank's strategy to maximise Net Interest Margin (NIM) and to support the Bank to dominate the market share by considering the competition condition.

The Bank consistently manages to apply the strategy as market leader in terms of fund pricing. However, considering the liquidity conditions and funding needs, the Bank may implement an aggressive strategy (greater than major competitors) or defensive (equal to or smaller than major competitors).

In determine interest rates, the Bank implements risk-based pricing by providing a range of interest rate of loan to customers based on credit risk level. In order to minimize interest rate risk, the loan interest rate is adjusted with interest rate from cost of funds. Other than cost of funds, loan interest rates are determined with consideration to overhead costs, credit risk premiums and profit margins as well as taking into account the Bank's competitiveness with its major competitors, Interest rates for loan can be either a floating or a fixed rate for certain tenors.

(iv) Foreign exchange risk management

Exchange rate risk represents potential loss arising from unfavourable exchange rate movements in the market when the Bank has an open position. The Bank applies a proper foreign exchange risk management to avoid loss arising from exchange rate changes or volatility. Exchange rate risk arises from foreign exchange currency transactions with customer or counterparty which leads to an open position in foreign currency or structural positions in foreign currencies due to capital investment. The Bank manages exchange rate risk by monitoring and managing the Net Open Position (NOP) in accordance with internal limits and the regulation of Bank Indonesia.

The calculation of the net open position as of December 31, 2020 and 2019 is based on Bank Indonesia's Regulation No. 12/10/PBI/2010 dated July 1, 2010 which amended by Bank Indonesia's Regulation No. 17/5/PBI/2015 dated on May 29, 2015 regarding removal implementation NOP 30 minutes. In accordance with Bank Indonesia Regulation, the overall Net Open Position ratio is the sum of the absolute amount from the net difference between assets and liabilities for each foreign currency on statement of financial position which presented in Rupiah add with the net difference between receivables and payables of commitments and contingencies for each foreign currency recorded in administrative which presented stated in Rupiah. The net open position for the statement of financial position is the net difference between total assets and liabilities for each foreign currency which presented in Rupiah. As of March 20, 2020 in accordance with BI Letter No. 22/53/DPPK/Srt/B, Domestic Non-Deliverable Forward (DNDF) transactions are included in the NOP calculation.

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**63. RISK MANAGEMENT (continued)**

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

a. Net open position

Net open position of Bank Mandiri by currencies (expressed in Rupiah) as of December 31, 2020 as follows:

Currency	Assets	Liabilities	Net open position
<b>OVERALL (STATEMENT OF FINANCIAL POSITION AND ADMINISTRATIVE ACCOUNTS)<sup>*)</sup></b>			
United States Dollar	304,988,957	306,042,354	1,053,397
European Euro	7,130,736	7,340,293	209,557
Singapore Dollar	2,023,733	1,949,667	74,066
Japanese Yen	393,846	395,857	2,011
Australian Dollar	708,317	696,579	11,738
Great Britain Poundsterling	215,068	251,511	36,443
Hong Kong Dollar	88,138	98,601	10,463
Others	5,300,495	5,277,969	106,854 <sup>)</sup>
Total			<u>1,504,529</u>
<b>STATEMENT OF FINANCIAL POSITION</b>			
United State Dollar	233,299,662	197,050,680	36,248,982
European Euro	5,837,059	2,934,610	2,902,449
Singapore Dollar	1,806,292	1,949,667	(143,375)
Japanese Yen	384,013	395,245	(11,232)
Australian Dollar	708,317	214,974	493,343
Great Britain Poundsterling	205,562	181,762	23,800
Hong Kong Dollar	88,138	56,455	31,683
Others	4,898,455	5,002,107	(103,652) <sup>**)</sup>
Total			<u>39,441,998</u>
Total Tier I and Tier II Capital less investments in Subsidiaries (Note 59)			<u><b>164,657,355</b></u>
NOP ratio (statement of financial position)			23.95%
NOP ratio (overall)			0.91%
Net Open Position ratio as of December 31, 2020 if calculated using November 2020 capital as follows:			
November 2020 Capital			164,540,478
NOP ratio (Statement of financial position)			23.97%
NOP ratio (overall) <sup>***)</sup>			0.91%

<sup>)</sup> Represents total absolute amount of difference between assets and liabilities from other foreign currencies.

<sup>\*\*)</sup> Represents total amount of difference between assets and liabilities from other foreign currencies.

<sup>\*\*\*)</sup> The calculation of Bank's net open position is based on Bank Indonesia's regulation No. 12/10/PBI/2010 dated July 1, 2010 and Bank Indonesia's regulation No. 17/5/PBI/2015 dated May 29, 2015 regarding the 4<sup>th</sup> amendment of Bank Indonesia's regulation No. 5/13/PBI/2003 regarding net open position for Commercial Banks. Under the regulation, starting on July 1, 2010, the Bank is only required to keep the net open position of a maximum of 20% of total capital.

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**63. RISK MANAGEMENT (continued)**

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

a. Net open position (continued)

Net open position of Bank Mandiri by currencies (expressed in Rupiah) as of December 31, 2019 as follows:

Currency	Assets	Liabilities	Net open position
<b>OVERALL (STATEMENT OF FINANCIAL POSITION AND ADMINISTRATIVE ACCOUNTS)**)</b>			
United States Dollar	274,368,735	275,943,615	1,574,880
European Euro	9,031,438	8,976,453	54,985
Singapore Dollar	2,524,459	2,688,245	163,786
Japanese Yen	1,345,872	1,460,013	114,141
Australian Dollar	488,982	511,324	22,342
Great Britain Poundsterling	301,027	288,045	12,982
Hong Kong Dollar	103,282	93,219	10,063
Others	4,691,577	4,890,718	289,223 <sup>)</sup>
Total			<u>2,242,402</u>
<b>STATEMENT OF FINANCIAL POSITION</b>			
United State Dollar	220,431,781	182,815,107	37,616,674
European Euro	7,527,135	6,354,640	1,172,495
Singapore Dollar	1,888,269	1,545,234	343,035
Japanese Yen	1,004,508	1,360,295	(355,787)
Australian Dollar	356,430	209,988	146,442
Great Britain Poundsterling	289,365	285,909	3,456
Hong Kong Dollar	64,365	26,528	37,837
Others	1,536,813	4,336,102	(2,799,289) <sup>**)</sup>
Total			<u>36,164,863</u>
Total Tier I and Tier II Capital less investments in Subsidiaries (Note 59)			<u><b>188,828,259</b></u>
NOP ratio (statement of financial position)			19.15%
NOP ratio (overall)			1.19%

Net Open Position ratio as of December 31, 2019 if calculated using November 2019 capital as follows:

November 2019 Capital	186,331,732
NOP ratio (Statement of financial position)	19.41%
NOP ratio (overall) <sup>***)</sup>	1.20%

<sup>)</sup> Represents total absolute amount of difference between assets and liabilities from other foreign currencies.

<sup>\*\*)</sup> Represents total amount of difference between assets and liabilities from other foreign currencies.

<sup>\*\*\*)</sup> The calculation of Bank's net open position is based on Bank Indonesia's regulation No. 12/10/PBI/2010 dated July 1, 2010 and Bank Indonesia's regulation No. 17/5/PBI/2015 dated May 29, 2015 regarding the 4<sup>th</sup> amendment of Bank Indonesia's regulation No. 5/13/PBI/2003 regarding net open position for Commercial Banks. Under the regulation, starting on July 1, 2010, the Bank is only required to keep the net open position of a maximum of 20% of total capital.

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**63. RISK MANAGEMENT (continued)**

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

b. Bank Mandiri exposure to foreign currency exchange rate risk

The table below summarizes the Group's exposure of foreign currency exchange rate risk as of December 31, 2020 and 2019, Included in the table are the Group's financial instruments at carrying amount, categorised by currencies.

	December 31, 2020								Total
	United States Dollar	European Euro	Singapore Dollar	Japanese Yen	Australian Dollar	Hong Kong Dollar	Great Britain Pound-sterling	Others	
<b>Assets</b>									
Cash	852,753	318,786	451,178	167,316	105,423	16,022	19,900	193,442	2,124,820
Current accounts with Bank Indonesia	7,145,152	-	-	-	-	-	-	-	7,145,152
Current accounts with other banks and other banks	16,626,985	1,433,845	498,999	166,833	123,590	45,428	154,563	3,978,565	23,028,808
Marketable securities	40,840,692	44,576	-	-	-	-	-	107,513	40,992,781
Government bonds	20,029,081	5,063	269,409	2,739	-	-	-	-	20,306,292
Other receivables-trade transactions	23,680,865	2,840,385	-	-	-	-	-	-	26,521,250
Derivative receivables	8,464,804	45,568	4,820	11,144	109	-	3,392	17,175	8,547,012
Loans	2,403,950	11,334	-	6	-	-	472	-	2,415,762
Acceptance receivables	135,712,718	1,334,871	547,015	-	473,255	-	-	1,739,289	139,807,148
Other assets	3,439,254	99,382	7,826	31,604	2,456	-	-	79,004	3,659,526
	2,722,220	45,643	648	199	7,747	-	27	15,448	2,791,932
<b>Total asset</b>	<b>261,918,474</b>	<b>6,179,453</b>	<b>1,779,895</b>	<b>379,841</b>	<b>712,580</b>	<b>61,450</b>	<b>178,354</b>	<b>6,130,436</b>	<b>277,340,483</b>
<b>Liabilities</b>									
Deposits from customers									
Demand deposits and wadiah demand deposits	81,973,058	1,060,290	521,275	239,789	34,738	6,236	54,292	1,425,292	85,314,970
Saving deposits and wadiah saving deposits	27,409,858	742,773	622,423	79,153	88,696	7,022	78,249	24,257	29,052,431
Time deposits	27,694,418	762,248	563,128	7,464	81,660	10,153	4,201	71,287	29,194,559
Deposits from other banks-									
Demand deposits, wadiah demand deposits and saving deposits	1,402,913	565	57	858	-	-	-	93	1,404,486
Interbank call money	-	-	-	-	-	-	-	655,829	655,829
Time deposits	1,120,930	-	-	-	-	-	-	-	1,120,930
Securities sold under agreements to repurchase	1,218,311	-	-	-	-	-	-	-	1,218,311
Derivative payable	1,441,156	33,839	-	-	-	-	450	279	1,475,724
Acceptance payables	3,439,254	99,382	7,826	31,604	2,456	-	-	79,004	3,659,526
Debt securities issued	17,444,677	-	-	-	-	-	-	-	17,444,677
Accrued expenses	661,175	-	35,440	183	151	7,917	55	65,339	770,260
Other liabilities	4,785,365	116,547	107,932	33,392	6,635	17,186	44,864	205,966	5,317,887
Fund borrowings	38,314,570	-	-	184,114	-	-	-	2,729,347	41,228,031
Subordinated loans and marketable securities	151,623	-	-	-	-	-	-	-	151,623
<b>Total liabilities</b>	<b>207,057,308</b>	<b>2,815,644</b>	<b>1,858,081</b>	<b>576,557</b>	<b>214,336</b>	<b>48,514</b>	<b>182,111</b>	<b>5,256,693</b>	<b>218,009,244</b>
<b>Net statement of financial position</b>	<b>54,861,166</b>	<b>3,363,809</b>	<b>(78,186)</b>	<b>(196,716)</b>	<b>498,244</b>	<b>12,936</b>	<b>(3,757)</b>	<b>873,743</b>	<b>59,331,239</b>
<b>Administrative accounts - net</b>	<b>(43,735,325)</b>	<b>(3,112,006)</b>	<b>217,441</b>	<b>9,221</b>	<b>(481,605)</b>	<b>(42,146)</b>	<b>(60,242)</b>	<b>126,179</b>	<b>(47,078,483)</b>

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**63. RISK MANAGEMENT (continued)**

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

b. Bank Mandiri exposure to foreign currency exchange rate risk

The table below summaries the Group's exposure of foreign currency exchange rate risk as of December 31, 2020 and 2019, Included in the table are the Group's financial instruments at carrying amount, categorised by currencies (continued)

	December 31, 2019								
	United States Dollar	European Euro	Singapore Dollar	Japanese Yen	Australian Dollar	Hong Kong Dollar	Great Britain Pound-sterling	Others	Total
<b>Assets</b>									
Cash	1,299,141	192,564	413,716	41,111	256,572	23,337	17,695	302,168	2,546,304
Current accounts with Bank Indonesia	13,407,311	-	-	-	-	-	-	-	13,407,311
Current accounts with other banks	8,261,426	1,837,176	239,843	404,132	92,977	28,102	253,889	955,027	12,072,572
Placement with Bank Indonesia and other banks	19,719,007	47,675	-	-	-	-	-	299,127	20,065,809
Marketable securities	15,103,611	2,606	408,877	579	-	-	-	-	15,515,673
Government bonds	20,398,803	3,384,373	-	472,897	-	-	-	-	24,256,073
Other receivables-trade transactions	8,606,700	58,610	6,077	8,857	-	-	13,549	16,975	8,710,768
Derivative receivables	1,475,789	14,658	3	32	127	41	43	97	1,490,790
Loans	138,258,224	1,149,647	776,651	1,075	2,057	3,268	-	839,976	141,030,898
Acceptance receivables	3,959,983	886,870	9,785	75,957	2,021	-	-	76,040	5,010,656
Other assets	2,731,437	49,414	2,874	523	24	11	79	7,380	2,791,742
<b>Total asset</b>	<b>233,221,432</b>	<b>7,623,593</b>	<b>1,857,826</b>	<b>1,005,163</b>	<b>353,778</b>	<b>54,759</b>	<b>285,255</b>	<b>2,496,790</b>	<b>246,898,596</b>
<b>Liabilities</b>									
Deposits from customers									
Demand deposits and <i>wadiah</i> demand deposits	64,989,888	3,919,861	269,367	723,085	33,352	4,819	119,651	1,041,342	71,101,365
Saving deposits and <i>wadiah</i> saving deposits	25,144,146	999,247	641,029	165,687	128,805	8,481	139,399	13,931	27,240,725
Time deposits	35,260,149	358,521	353,189	29,508	37,647	-	5,124	16,028	36,060,166
Deposits from other banks-									
Demand deposits, <i>wadiah</i> demand deposits and saving deposits	1,218,653	598	3,182	533	-	-	-	120	1,223,086
Interbank call money	-	-	-	-	-	-	-	219,360	219,360
Time deposits	2,044,117	-	-	-	-	-	-	-	2,044,117
Securities sold under agreements to repurchase	2,479,142	-	-	-	-	-	-	-	2,479,142
Derivative payable	982,432	18,154	5	421	2,517	48	2	722	1,004,301
Acceptance payables	3,959,983	886,870	9,785	75,957	2,021	-	-	76,040	5,010,656
Debt securities issued	10,321,418	-	-	-	-	-	-	-	10,321,418
Accrued expenses	648,229	-	37,021	172	136	7,009	303	65,356	758,226
Other liabilities	1,793,110	135,612	143,739	249,622	1,418	1,098	20,515	52,182	2,397,296
Fund borrowings	41,479,276	-	-	367,962	-	-	-	3,036,141	44,883,379
Subordinated loans and marketable securities	165,045	-	-	-	-	-	-	-	165,045
<b>Total liabilities</b>	<b>190,485,588</b>	<b>6,318,863</b>	<b>1,457,317</b>	<b>1,612,947</b>	<b>205,896</b>	<b>21,455</b>	<b>284,994</b>	<b>4,521,222</b>	<b>204,908,282</b>
<b>Net statement of financial position</b>	<b>42,735,844</b>	<b>1,304,730</b>	<b>400,509</b>	<b>(607,784)</b>	<b>147,882</b>	<b>33,304</b>	<b>261</b>	<b>(2,024,432)</b>	<b>41,990,314</b>
<b>Administrative accounts - net</b>	<b>(37,571,550)</b>	<b>(1,130,793)</b>	<b>(633,563)</b>	<b>241,646</b>	<b>(168,785)</b>	<b>(27,774)</b>	<b>9,526</b>	<b>2,600,150</b>	<b>(36,681,143)</b>

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**63. RISK MANAGEMENT (continued)**

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

c. The balance of monetary assets and liabilities in foreign currencies are as follows:

	December 31, 2020	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
<b>Assets</b>		
<b>Cash</b>		
United States Dollar	852,753	60,694
Singapore Dollar	451,178	42,539
Australian Dollar	105,423	9,805
European Euro	318,786	18,497
Chinese Yuan	8,310	3,865
Japanese Yen	167,316	1,230,536
Great Britain Poundsterling	19,900	1,047
Hong Kong Dollar	16,022	8,841
Others	185,132	13,177
	2,124,820	1,389,001
<b>Deposits with Bank Indonesia</b>		
United States Dollar	7,145,152	508,552
<b>Deposits with other banks</b>		
United States Dollar	16,626,985	1,183,415
Chinese Yuan	3,326,516	1,547,030
European Euro	1,433,845	83,197
Japanese Yen	166,833	1,226,984
Great Britain Poundsterling	154,563	8,130
Singapore Dollar	498,999	47,048
Australian Dollar	123,590	11,494
Hong Kong Dollar	45,428	25,066
Others	652,049	46,409
	23,028,808	4,178,773
<b>Placement with Bank Indonesia and other banks</b>		
United States Dollar	40,840,692	2,906,811
European Euro	44,576	2,586
Chinese Yuan	107,513	50,000
	40,992,781	2,959,397
<b>Marketable securities</b>		
United States Dollar	20,029,081	1,425,557
Singapore Dollar	269,409	25,401
European Euro	5,063	294
Japanese Yen	2,739	20,144
	20,306,292	1,471,396
<b>Government bonds</b>		
United States Dollar	23,680,865	1,685,471
European Euro	2,840,385	164,809
	26,521,250	1,850,280



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**63. RISK MANAGEMENT (continued)**

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

c. The balance of monetary assets and liabilities in foreign currencies are as follows (continued):

	December 31, 2020	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
<b>Assets (continued)</b>		
<b>Other receivables - trade transactions</b>		
United States Dollar	8,464,804	602,477
European Euro	45,568	2,644
Singapore Dollar	4,820	454
Chinese Yuan	17,175	7,987
Japanese Yen	11,144	81,959
Australian Dollar	109	10
Great Britain Poundsterling	3,392	178
	8,547,012	695,709
<b>Derivative receivables</b>		
United States Dollar	2,403,950	171,100
European Euro	11,334	658
Japanese Yen	6	44
Great Britain Poundsterling	472	25
	2,415,762	171,827
<b>Loan and sharia loan/financing</b>		
United States Dollar	135,712,718	9,659,268
European Euro	1,334,871	77,454
Chinese Yuan	1,738,196	808,365
Singapore Dollar	547,015	51,575
Australian Dollar	473,255	44,014
Others	1,093	78
	139,807,148	10,640,754
<b>Acceptance receivables</b>		
United States Dollar	3,439,254	244,787
European Euro	99,382	5,766
Japanese Yen	31,604	232,434
Singapore Dollar	7,826	738
Chinese Yuan	79,004	36,742
Australian Dollar	2,456	228
	3,659,526	520,695
<b>Other assets</b>		
United States Dollar	2,722,220	193,752
European Euro	45,643	2,648
Australian Dollar	7,747	720
Chinese Yuan	15,445	7,183
Singapore Dollar	648	61
Japanese Yen	199	1,464
Great Britain Poundsterling	27	1
Others	3	-
	2,791,932	205,829
<b>Total asset</b>	<b>277,340,483</b>	<b>24,592,213</b>

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**63. RISK MANAGEMENT (continued)**

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

c. The balance of monetary assets and liabilities in foreign currencies are as follows (continued):

	December 31, 2020	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
<b>Liabilities</b>		
<b>Deposits from customers</b>		
Demand deposits and <i>wadiah</i> demand deposits		
United States Dollar	81,973,058	5,834,381
European Euro	1,060,290	61,522
Singapore Dollar	521,275	49,148
Japanese Yen	239,789	1,763,543
Great Britain Poundsterling	54,292	2,856
Chinese Yuan	1,133,635	527,208
Australian Dollar	34,738	3,231
Hong Kong Dollar	6,236	3,441
Others	291,657	20,759
	85,314,970	8,266,089
Saving deposits and <i>wadiah</i> saving deposits		
United States Dollar	27,409,858	1,950,880
European Euro	742,773	43,098
Singapore Dollar	622,423	58,685
Great Britain Poundsterling	78,249	4,116
Australian Dollar	88,696	8,249
Japanese Yen	79,153	582,136
Chinese Yuan	16,593	7,717
Hong Kong Dollar	7,022	3,875
Others	7,664	545
	29,052,431	2,659,301
Time deposits		
United States Dollar	27,694,418	1,971,133
European Euro	762,248	44,228
Singapore Dollar	563,128	53,094
Chinese Yuan	71,287	33,153
Australian Dollar	81,660	7,595
Japanese Yen	7,464	54,894
Great Britain Poundsterling	4,201	221
Hong Kong Dollar	10,153	5,602
	29,194,559	2,169,920

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**63. RISK MANAGEMENT (continued)**

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

c. The balance of monetary assets and liabilities in foreign currencies are as follows (continued):

	December 31, 2020	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
<b>Liabilities (continued)</b>		
<b>Deposits from other banks</b>		
Demand deposits, <i>wadiah</i> demand deposits and saving deposits		
United States Dollar	1,402,913	99,851
Singapore Dollar	57	5
European Euro	565	33
Japanese Yen	858	6,310
Chinese Yuan	93	43
	1,404,486	106,242
Interbank call money		
Chinese Yuan	655,829	305,000
Time Deposits		
United States Dollar	1,120,930	79,781
<b>Securities sold under agreements to repurchase</b>		
United States Dollar	1,218,311	86,713
<b>Derivative payables</b>		
United States Dollar	1,441,156	102,573
European Euro	33,839	1,963
Great Britain Poundsterling	450	24
Chinese Yuan	91	42
Others	188	13
	1,475,724	104,615
<b>Acceptance payables</b>		
United States Dollar	3,439,254	244,787
European Euro	99,382	5,766
Japanese Yen	31,604	232,434
Singapore Dollar	7,826	738
Chinese Yuan	79,004	36,742
Australian Dollar	2,456	228
	3,659,526	520,695
<b>Debt securities issued</b>		
United States Dollar	17,444,677	1,241,614
<b>Accrued expenses</b>		
United States Dollar	661,175	47,059
Chinese Yuan	65,330	30,382
Singapore Dollar	35,440	3,341
Hong Kong Dollar	7,917	4,368
Japanese Yen	183	1,346
Australian Dollar	151	14
Great Britain Poundsterling	55	3
Others	9	1
	770,260	86,514

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**63. RISK MANAGEMENT (continued)**

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

c. The balance of monetary assets and liabilities in foreign currencies are as follows (continued):

	December 31, 2020	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
<b>Liabilities (continued)</b>		
<b>Other liabilities</b>		
United States Dollar	4,785,365	340,595
Japanese Yen	33,392	245,584
European Euro	116,547	6,762
Singapore Dollar	107,932	10,176
Australian Dollar	6,635	617
Hong Kong Dollar	17,186	9,483
Great Britain Poundsterling	44,864	2,360
Chinese Yuan	59,232	27,546
Others	146,734	10,444
	<u>5,317,887</u>	<u>653,567</u>
<b>Fund borrowings</b>		
United States Dollar	38,314,570	2,727,016
Chinese Yuan	2,729,347	1,269,310
Japanese Yen	184,114	1,354,075
	<u>41,228,031</u>	<u>5,350,401</u>
<b>Subordinated loans and marketable securities</b>		
United States Dollar	151,623	10,792
	<u>151,623</u>	<u>10,792</u>
<b>Total Liabilities</b>	<b><u>218,009,244</u></b>	<b><u>21,641,244</u></b>
	December 31, 2019	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
<b>Assets</b>		
<b>Cash</b>		
United States Dollar	1,299,141	93,581
Singapore Dollar	413,716	40,108
Australian Dollar	256,572	26,382
European Euro	192,564	12,367
Chinese Yuan	17,248	8,649
Japanese Yen	41,111	321,657
Great Britain Poundsterling	17,695	970
Hong Kong Dollar	23,337	13,090
Others	284,920	20,524
	<u>2,546,304</u>	<u>537,328</u>
<b>Deposits with Bank Indonesia</b>		
United States Dollar	13,407,311	965,771

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**63. RISK MANAGEMENT (continued)**

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

c. The balance of monetary assets and liabilities in foreign currencies are as follows (continued):

	December 31, 2019	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
<b>Assets (continued)</b>		
<b>Deposits with other banks</b>		
United States Dollar	8,261,426	595,096
Chinese Yuan	583,725	292,714
European Euro	1,837,176	117,990
Japanese Yen	404,132	3,161,975
Great Britain Poundsterling	253,889	13,921
Singapore Dollar	239,843	23,252
Australian Dollar	92,977	9,560
Hong Kong Dollar	28,102	15,763
Others	371,302	26,746
	12,072,572	4,257,017
<b>Placement with Bank Indonesia and other banks</b>		
United States Dollar	19,719,007	1,420,422
European Euro	47,675	3,062
Chinese Yuan	299,127	150,000
	20,065,809	1,573,484
<b>Marketable securities</b>		
United States Dollar	15,103,611	1,087,961
Singapore Dollar	408,877	39,639
European Euro	2,606	167
Japanese Yen	579	4,530
	15,515,673	1,132,297
<b>Government bonds</b>		
United States Dollar	20,398,803	1,469,390
European Euro	3,384,373	217,356
Japanese Yen	472,897	3,700,000
	24,256,073	5,386,746
<b>Other receivables - trade transactions</b>		
United States Dollar	8,606,700	619,968
European Euro	58,610	3,764
Singapore Dollar	6,077	589
Chinese Yuan	16,975	8,512
Japanese Yen	8,857	69,298
Great Britain Poundsterling	13,549	743
	8,710,768	702,874

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**63. RISK MANAGEMENT (continued)**

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

c. The balance of monetary assets and liabilities in foreign currencies are as follows (continued):

	December 31, 2019	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
<b>Assets (continued)</b>		
<b>Derivative receivables</b>		
United States Dollar	1,475,789	106,306
European Euro	14,658	941
Singapore Dollar	3	-
Japanese Yen	32	250
Australian Dollar	127	13
Hong Kong Dollar	41	23
Great Britain Poundsterling	43	2
Chinese Yuan	96	48
Others	1	-
	1,490,790	107,583
<b>Loan and sharia loan/financing</b>		
United States Dollar	138,258,224	9,959,173
European Euro	1,149,647	73,834
Hong Kong Dollar	3,268	1,833
Chinese Yuan	838,904	420,676
Singapore Dollar	776,651	75,293
Australian Dollar	2,057	212
Japanese Yen	1,075	8,411
Others	1,072	77
	141,030,898	10,539,509
<b>Acceptance receivables</b>		
United States Dollar	3,959,983	285,250
European Euro	886,870	56,958
Japanese Yen	75,957	594,296
Singapore Dollar	9,785	949
Chinese Yuan	76,040	38,131
Australian Dollar	2,021	208
	5,010,656	975,792
<b>Other assets</b>		
United States Dollar	2,731,437	196,754
European Euro	49,414	3,174
Australian Dollar	24	2
Chinese Yuan	7,374	3,698
Singapore Dollar	2,874	279
Hong Kong Dollar	11	6
Japanese Yen	523	4,092
Great Britain Poundsterling	79	4
Others	6	-
	2,791,742	208,009
<b>Total asset</b>	<b>246,898,596</b>	<b>26,386,410</b>

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**63. RISK MANAGEMENT (continued)**

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

c. The balance of monetary assets and liabilities in foreign currencies are as follows (continued):

	December 31, 2019	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
<b>Liabilities</b>		
<b>Deposits from customers</b>		
Demand deposits and <i>wadiah</i> demand deposits		
United States Dollar	64,989,888	4,681,425
European Euro	3,919,861	251,747
Singapore Dollar	269,367	26,114
Japanese Yen	723,085	5,657,499
Great Britain Poundsterling	119,651	6,560
Chinese Yuan	790,905	396,607
Australian Dollar	33,352	3,429
Hong Kong Dollar	4,819	2,703
Others	250,437	18,040
	71,101,365	11,044,124
Saving deposits and <i>wadiah</i> saving deposits		
United States Dollar	25,144,146	1,811,212
European Euro	999,247	64,175
Singapore Dollar	641,029	62,145
Great Britain Poundsterling	139,399	7,643
Australian Dollar	128,805	13,244
Japanese Yen	165,687	1,296,351
Chinese Yuan	13,382	6,711
Hong Kong Dollar	8,481	4,757
Others	549	40
	27,240,725	3,266,278
Time deposits		
United States Dollar	35,260,149	2,539,899
European Euro	358,521	23,025
Singapore Dollar	353,189	34,240
Chinese Yuan	16,028	8,037
Australian Dollar	37,647	3,871
Japanese Yen	29,508	230,877
Great Britain Poundsterling	5,124	281
	36,060,166	2,840,230

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**63. RISK MANAGEMENT (continued)**

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

c. The balance of monetary assets and liabilities in foreign currencies are as follows (continued):

	December 31, 2019	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
<b>Liabilities (continued)</b>		
<b>Deposits from other banks</b>		
Demand deposits, <i>wadiah</i> demand deposits and saving deposits		
United States Dollar	1,218,653	87,783
Singapore Dollar	3,182	308
European Euro	598	38
Japanese Yen	533	4,170
Chinese Yuan	120	60
	1,223,086	92,359
Interbank call money		
Chinese Yuan	219,360	110,000
Time Deposits		
United States Dollar	2,044,117	147,244
<b>Securities sold under agreements to repurchase</b>		
United States Dollar	2,479,142	178,580
<b>Derivative payables</b>		
United States Dollar	982,432	70,768
European Euro	18,154	1,166
Singapore Dollar	5	-
Japanese Yen	421	3,294
Great Britain Poundsterling	2	-
Australian Dollar	2,517	259
Hong Kong Dollar	48	27
Chinese Yuan	4	2
Others	718	52
	1,004,301	75,568
<b>Acceptance payables</b>		
United States Dollar	3,959,983	285,250
European Euro	886,870	56,958
Japanese Yen	75,957	594,296
Singapore Dollar	9,785	949
Chinese Yuan	76,040	38,131
Australian Dollar	2,021	208
	5,010,656	975,792
<b>Debt securities issued</b>		
United States Dollar	10,321,418	743,484
<b>Accrued expenses</b>		
United States Dollar	648,229	46,694
Chinese Yuan	65,348	32,769
Singapore Dollar	37,021	3,589
Hong Kong Dollar	7,009	3,932
Japanese Yen	172	1,346
Australian Dollar	136	14
Great Britain Poundsterling	303	17
Others	8	1
	758,226	88,362



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**63. RISK MANAGEMENT (continued)**

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

c. The balance of monetary assets and liabilities in foreign currencies are as follows (continued):

	December 31, 2019	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
<b>Liabilities (continued)</b>		
<b>Other liabilities</b>		
United States Dollar	1,793,110	129,163
Japanese Yen	249,622	1,953,071
European Euro	135,612	8,709
Singapore Dollar	143,739	13,935
Australian Dollar	1,418	146
Hong Kong Dollar	1,098	616
Great Britain Poundsterling	20,515	1,125
Chinese Yuan	26,989	13,534
Others	25,193	1,815
	2,397,296	2,122,114
<b>Fund borrowings</b>		
United States Dollar	41,479,276	2,987,882
Chinese Yuan	3,036,141	1,522,501
Japanese Yen	367,962	2,878,977
	44,883,379	7,389,360
<b>Subordinated loans and marketable securities</b>		
United States Dollar	165,045	11,889
	165,045	11,889
<b>Total Liabilities</b>	<b>204,908,282</b>	<b>29,085,384</b>

d. Sensitivity to net income

The table below shows the sensitivity of Bank Mandiri's net income to movement of foreign exchange rates as of December 31, 2020 and 2019:

	Increased by 5%	Decreased by 5%
<b>December 31, 2020</b>		
Increase/(decrease) net income	1,812,449	(1,812,449)
<b>December 31, 2019</b>		
Increase/(decrease) net income	1,880,834	(1,880,834)

The projection above assumes only changes in foreign currency exchange rate of US Dollar while other foreign exchange rates remain unchanged. US Dollars is the major foreign exchange rate held by the Bank. The projection also assumes that all other variables are held constant at reporting date.

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**63. RISK MANAGEMENT (continued)**

B. Market risk and liquidity risk (continued)

(v) Fair value of financial assets and liabilities

Valuation is also an important component to manage most risks in banking industry including market risk, credit risk and liquidity risk. Valuation process is performed for all trading book position including marketable securities owned by the Group's portfolio measured at fair value through other comprehensive income.

The table below shows analysis of financial instruments carried at fair value based on method of valuation levels. The difference at each level of assessment methods is described as follows:

- Quoted prices (not adjusted) from active market for asset or liability which are the same/identical (Level 1);
- Inputs other than quoted market prices included in Level 1 that are observable for the asset and liability, either directly (as a price) or indirectly (derived from prices) (Level 2);
- Inputs for the asset or liability that are not based on observable market data (unobservable information) (Level 3);

The table below shows the Group's assets and liabilities that are measured at fair value as of December 31, 2020 and 2019:

	December 31, 2020			Fair value
	Level 1	Level 2	Level 3	
<b>Assets measured at fair value</b>				
Marketable securities				
Fair value through profit or loss	33,364,659	1,223,250	-	34,587,909
Fair value through other comprehensive income	11,560,317	7,586,260	-	19,146,577
Government bonds				
Fair value through profit or loss	8,816,163	33,530	-	8,849,693
Fair value through other comprehensive income	102,498,953	227,644	-	102,726,597
Derivative receivables	-	2,520,623	58,324	2,578,947
<b>Assets disclosed at fair value</b>				
Amortised cost				
Marketable securities	6,740,276	1,724,129	-	8,464,405
Government bonds	39,504,479	-	-	39,504,479
At cost				
Marketable securities	15,746,703	1,962,618	-	17,709,321
Government bonds	9,001,593	-	-	9,001,593
Loans	-	285,019,339	531,011,716	816,031,055
Consumer financing receivables	-	18,095,390	-	18,095,390
Net investment finance leases	-	2,547,136	-	2,547,136
<b>Liabilities measured at fair value</b>				
Derivative payables	-	1,570,506	-	1,570,506
<b>Liabilities disclosed at fair values</b>				
Debt securities issued	-	40,821,444	-	40,821,444
Fund borrowings	-	52,313,282	-	52,313,282
Subordinated loans and marketable securities	-	672,206	-	672,206

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**63. RISK MANAGEMENT (continued)**

B. Market risk and liquidity risk (continued)

(v) Fair value of financial assets and liabilities (continued)

The table below shows the Group's assets and liabilities that are measured at fair value as of December 31, 2020 and 2019 (continued):

	December 31, 2019			Fair value
	Level 1	Level 2	Level 3	
<b>Assets measured at fair value</b>				
Marketable securities				
Fair value through profit or loss	22,604,594	6,915,433	-	29,520,027
Available for sale	1,143,993	18,757,183	-	19,901,176
Government bonds				
Fair value through profit or loss	5,853,720	399,536	-	6,253,256
Available for sale	39,874,398	56,790,056	-	96,664,454
Derivative receivables	-	1,559,152	58,324	1,617,476
<b>Assets disclosed at fair value</b>				
Held to maturity				
Marketable securities	-	8,037,544	-	8,037,544
Government bonds	12,977,126	5,096,699	-	18,073,825
At cost				
Marketable securities	10,581,243	3,333,898	-	13,915,141
Government bonds	8,140,324	-	-	8,140,324
Loans	-	291,767,934	565,536,359	857,304,293
Consumer financing receivables	-	17,433,465	-	17,433,465
Net investment finance leases	-	3,055,071	-	3,055,071
<b>Liabilities measured at fair value</b>				
Derivative payables	-	1,195,022	-	1,195,022
<b>Liabilities disclosed at fair values</b>				
Debt securities issued	-	32,977,554	-	32,977,554
Fund borrowings	-	54,028,333	-	54,028,333
Subordinated loans and marketable securities	-	671,922	-	671,922

As of December 31, 2020 and 2019, the Bank and Subsidiaries have no transfers between Level 1 and Level 2 of the hierarchy.

Marketable securities classified as non liquid as of December 31, 2020 and 2019 amounted to RpNil and Rp13,868,408 (21.11% of total assets measured at fair value level 2), respectively, represent government bonds with variable interest rates and classified as measured at fair value through other comprehensive income.

The fair value of financial instruments traded in active markets (such as marketable securities which are measured at fair value through profit or loss and fair value through other comprehensive income) was determined based on quoted market prices at the reporting date. A market is considered active if the information regarding price quotations can be easily obtained and regularly available from an exchange, securities dealer or broker, the market price of a particular industry assessors, regulators and those price reflects actual and regular market transactions at a fair value. Quoted market price for financial assets owned by the Group are using current offering price. These instruments are included in level 1. The instruments included in level 1 generally include investments in shares in IDX and debt securities classified as held for trading and fair value through other comprehensive income.

The fair value of financial instruments that are not traded in an active market (include over-the-counter derivatives and inactive government bonds) are determined by internal valuation techniques.

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**63. RISK MANAGEMENT (continued)**

B. Market risk and liquidity risk (continued)

(v) Fair value of financial assets and liabilities (continued)

The valuation techniques maximise the use of observable market data when available and as far as possible to minimise the use of specific estimates of the entity. If all the inputs needed to determine the fair value of financial instruments are observable from market, therefore the instrument is included in level 2. Instead, if one or more data is not based on observable market data, these instrument are included in level 3.

As of December 31, 2020 and 2019, the carrying value of the Bank's financial assets and liabilities approximates their fair value except for the following financial instruments:

	December 31, 2020		December 31, 2019	
	Carrying value	Fair value	Carrying value	Fair value
<b>Assets</b>				
Marketable securities				
Amortized cost	8,456,963	8,464,405	-	-
At cost <sup>1)</sup>	17,709,321	17,709,321	13,875,809	13,915,141
Held to maturity	-	-	8,035,894	8,037,544
Government bonds				
Amortized cost	39,423,358	39,504,479	-	-
At cost <sup>1)</sup>	8,690,979	9,001,593	8,079,331	8,140,324
Held to maturity	-	-	18,003,260	18,073,825
Loans	807,864,363	816,031,055	855,863,865	857,304,293
Consumer financing receivable	18,649,899	18,095,390	18,211,088	17,433,465
Net Investment finance leases	3,522,467	2,547,136	3,047,089	3,055,071
	<b>904,317,350</b>	<b>911,353,379</b>	<b>925,116,336</b>	<b>925,959,663</b>
<b>Liabilities</b>				
Debt securities issued	38,111,472	40,821,444	32,245,270	32,977,554
Fund borrowings	52,810,689	52,313,282	54,128,562	54,028,333
Subordinated loans and marketable securities	650,966	672,206	664,217	671,922
	<b>91,573,127</b>	<b>93,806,932</b>	<b>87,038,049</b>	<b>87,677,809</b>

<sup>1)</sup> Marketable securities and government bonds owned by Subsidiary in accordance with SFAS No. 110 "Accounting for Sukuk".

- (i) Current accounts with Bank Indonesia, current accounts with other banks, placement with Bank Indonesia and other banks, other receivables, securities purchased under agreements to resell, acceptance receivables and other assets.

Placements with Bank Indonesia and other banks represent placements in the form of deposit facility, sharia FASBI, call money, "fixed-term" placements, time deposits and others.

The carrying amount of current accounts, placements and overnight deposits, which uses floating rate, is a reasonable approximation of fair value.

The estimated fair value of fixed interest bearing placements, other receivables, securities purchased under agreements to resell, acceptance receivables and other assets is based on discounted cash flows using prevailing money market interest rates for debts with similar credit risk and remaining maturity. Since the remaining maturity is below one year, the carrying amount of fixed interest bearing placements, other receivables, securities purchased under agreements to resell, acceptance receivables and other assets is a reasonable approximation of fair value.

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**63. RISK MANAGEMENT (continued)**

B. Market risk and liquidity risk (continued)

(v) Fair value of financial assets and liabilities (continued)

(ii) Marketable securities (held to maturity) and government bonds (held to maturity)

The fair value for held to maturity marketable securities and government bonds is based on market prices or broker/dealer price quotations. When this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics or using internal valuation method.

(iii) Loans and consumer financing receivables

Loans and consumer financing receivables are recorded at carrying amount net of charges for impairment. The estimated fair value of loans and consumer financing receivables represents the discounted amount of estimated future cash flows expected to be received. The fair value of loans and consumer financing receivables is determined by discounting the expected future cash flows at current market interest rates.

(iv) Deposits from customers and other banks, securities sold under agreements to repurchase, acceptance payables and other liabilities

The estimated fair value of deposits that can be withdrawn at any time, includes non-interest bearing deposits, is the payable amount/carrying amount when the payable is paid.

The estimated fair value of fixed interest bearing deposits, securities sold under agreements to repurchase, acceptance payables and other liabilities not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity. As the remaining maturity is below one year, the carrying amount of fixed interest bearing deposits, acceptance payables and other liabilities is a reasonable approximation of fair value.

(v) Debt securities issued, fund borrowings and subordinated loans and marketable securities

The aggregate fair values are calculated based on quoted market prices. When information is not available, a discounted cash flow model is used based on the current yield curve appropriate for the remaining term to maturity.

(vi) Value at Risk (VaR)

The implementation of managing market risk of trading, the Bank's applies segregation of duties principle by separation front office unit (conduct trading transaction), middle office unit (conduct process of risk management, develop policies and procedures) and back office unit (conduct process of settlement transaction).

Daily market risk analysis of trading treasury activities using best practice approach by consider internal and external policies, such as through calculation of Value at Risk (VaR).

The Bank calculates VaR (Value at Risk), which is a value that describe the maximum potential losses to the Bank (Bank only) as a result of market volatility that affects the Bank's trading exposure in normal conditions with a confidence level of 99%. VaR calculation method used by the Bank is Historical Simulation method which does not require assumption of market factors are normally distributed. Bank calculate VaR based on 250 days historical market factor data.

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**63. RISK MANAGEMENT (continued)**

B. Market risk and liquidity risk (continued)

(vi) Value at Risk (VaR) (continued)

VaR realisation as of December 31, 2020 and 2019 (unaudited) are as follows:

December 31, 2020				
Type of Risk	Average VaR	Maximum VaR	Minimum VaR	End of period VaR
Interest rate risk	13,136	45,998	1,055	31,106
Foreign exchange risk	35,792	161,793	904	19,608
<b>Total</b>	<b>44,584</b>	<b>158,422<sup>*)</sup></b>	<b>6,428</b>	<b>44,404</b>

December 31, 2019 <sup>)</sup>				
Type of Risk	Average VaR	Maximum VaR	Minimum VaR	End of period VaR
Interest rate risk	13,833	29,191	3,933	5,109
Foreign exchange risk	17,095	62,359	2,133	22,572
<b>Total</b>	<b>27,117</b>	<b>81,837</b>	<b>8,379</b>	<b>33,381</b>

<sup>)</sup> Only trading book position

<sup>\*)</sup> NOP Calculation excludes Domestic Non-Delivarable Forward (DNDF) transactions in accordance with FAQ PBI No. 20/10/PBI/2018 regarding DNDF transactions

The Bank performs backtesting to ensure the accuracy of the VaR calculation method in predicting the profit/loss of treasury activities. Backtesting compares the daily profit/loss with the VaR calculated by the Bank.

Backtesting result for the period December 2020 shows that the VaR calculation has been performed accurately, where the number of irregularities of P/L to the daily VaR is still acceptable.

(vii) Cash management

Details of cash are as follows:

	December 31, 2020		December 31, 2019	
	Notional amount of foreign currencies equivalent (in thousand)	Rupiah	Notional amount of foreign currencies equivalent (in thousand)	Rupiah
Rupiah	-	22,557,851	-	25,547,963
Foreign currencies				
United States Dollar	60,694	852,753	93,581	1,299,141
Singapore Dollar	42,539	451,178	40,108	413,716
Australia Dollar	9,805	105,423	26,382	256,572
European Euro	18,497	318,786	12,367	192,564
Chinese Yuan	3,865	8,310	8,649	17,248
Japanese Yen	1,230,536	167,316	321,657	41,111
Great Britain Poundsterling	1,047	19,900	970	17,695
Hong Kong Dollar	8,841	16,022	13,090	23,337
Others	13,177	185,132	20,524	284,920
	<b>1,389,001</b>	<b>24,682,671</b>	<b>537,328</b>	<b>28,094,267</b>

As of December 31, 2020 and 2019, the cash balance, including money at the ATM (Automatic Teller Machine), amounted to Rp8,934,530 and Rp9,636,525, respectively.

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### 63. RISK MANAGEMENT (continued)

#### C. Operational risk

Operational risk is a risk which due from inadequacy and/or dysfunctional of internal process, human error, systems failure or external factors which impact the Bank's operations. The effectiveness of operational risk management can reduce losses due to operational risk.

In order to the achieve the effectiveness of operational risk management, the Bank has established a framework based on Bank Indonesia, Financial Services Authority, Basel and best practice in both local and global industries. The Bank has implemented Bank Mandiri's Risk Management Policy, Standard Operating Procedures for Operational Risk Management and Technical Guidelines for Operational Risk Management covering both aspects of governance and reporting systems.

#### **Managing risk through operation**

In managing operational risk through operation, the Bank has:

- (i) Established risk governance of operational risk management.
- (ii) Established policies and procedures and conducts periodic review.
- (iii) Established operational risk appetite.
- (iv) Designed methodologies and tools for operational risk management.
- (v) Provided Operational Risk Management System for all units.
- (vi) Established Risk Awareness across organizations including Risk Culture in the Bank's business activities.
- (vii) Implemented the operational risk management to the all units Head Office and Regional Offices including the operational risk management tools (ORM Tools) and Loss Event Database application system.
- (viii) Performed monitoring and reporting for internal and external (regulator).
- (ix) Developed standard competencies for employees involved in the implementation of operational risk management framework activities.

The implementation of operational risk governance begins with:

- (i) Active monitoring by Board of Commissioners and Directors
- (ii) The implementation of operational risk management is supervised by Director of Risk Management which supported by the involvement of:
  - Risk Management & Credit Policy Committee
  - Operational Risk Management and Development Unit
  - Operational Risk Management Unit
  - Business Unit and Risk Controlling Unit
  - Compliance Unit
  - Internal Audit Unit

The Bank has established internal policies and procedures for Operational Risk Management referred to as Bank Mandiri Risk Management Policy (KMRBM), which is the basis of risk management implementation.

The ORM Tools used by the Bank are:

- (i) Risk & Control Self Assessment (RCSA), is a register of key risk and main control of the business processes within the Bank, where inherent risk rating and control effectiveness either through control testing or by consensus are periodically assessed. The testing of inherent risk rating and control rating generated residual risk value which become a component of operational risk profile. The residual risk level is minimize by taking necessary mitigations before risk occurs.
- (ii) Loss Event Database, is a database of operational risk incidents which recorded on risk based basis as a lesson learned, remediation monitoring and future improvements, also as a component for calculation of operational risk capital calculation (regulatory capital charge) with the Standardized Approach (SA) method.

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**63. RISK MANAGEMENT (continued)**

C. Operational risk

**Managing risk through operation (continued)**

The ORM Tools used by the Bank are (continued):

- (iii) Key indicator (KI), is an indicator prepared to monitor applicable risks on risk based approach to ensure follow-up action are promptly taken before the risks are happened.
- (iv) Issue & Action Management (IAM), is a tool to monitor follow-up action that have been designed on identified issues through various activities, such as Control Testing, incident, key indicator, self identified issued and other.
- (v) Capital Modeling, an operational capital calculation model (regulatory capital charge) that complies with applicable regulations, as part of mitigating operational risk.

As the output of Operational Risk Management process, each unit generates operational risk profile reviewed by Internal Audit unit and presented to the Board of Commissioners and reported to regulators periodically also use to determine Banks's Rating ratio in Risk-Based Bank Rating (RBBR). In addition, in order to manage operational risk, there is an operational risk management reports that are submitted to management as a monitoring tool and consideration for priority decision making.

**Managing risk through capital**

In accordance with the regulation, the Bank uses the Basic Indicator Approach to calculate the operational risk capital charge. The Basic Indicator Approach calculation is based on Gross Income of the Bank for the last 3 (three) years.

The results of operational risk capital charge of Bank Mandiri (Bank only) is Rp10,297,317.12, meanwhile for the consolidation is amounted to Rp12,316,282.88. Based on balance of operational risk capital charge, the RWA of operational risk is amounted to Rp128,716,463.96 (Bank only) and Rp153,953,536.05 (consolidated).

**64. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES**

**a. Integrated banking system agreement with vendor**

On November 22, 2012, the Bank entered into an agreement with vendor to enhance eMAS features in accordance with Application Management Services 2011 agreement amounted to USD866,125 (full amount, after VAT) and Application Management Services 2012 agreement amounted to USD1,190,000 (full amount, after VAT) with blanket order system so that the maximum total value of the contract amounted to USD2,056,125 (full amount, after VAT). On December 31, 2020, the value of the contract using payment realisation approach for Application Management Services 2012 was USD1,083,250 (full amount, after VAT) and the Bank has recorded fixed asset based on the realization value of USD1,078,350 (full amount, after VAT), therefore estimated completion as of December 31, 2020 was 99.55%.

On September 3, 2013, the Bank entered into an agreement with vendors to enhance eMAS features related to Management Application's agreement 2013 with blanket order system with a maximum contract value of USD2,583,700 (full amount, after VAT). The blanket order agreements are based on estimation of actual mandays to be performed by the vendor for additional features of eMAS, As of December 31, 2020, the contract value based on the realisation payment was equal to USD2,443,000 (full amount) and the Bank has recorded the payment as fixed asset of USD2,333,800 (full amount) therefore the estimated project completion as of December 31, 2020 are 95.53%.



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**64. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES (continued)**

**a. Integrated banking system agreement with vendor (continued)**

On September 15, 2014, the Bank entered into an agreement with vendors to enhance eMAS features related to Management Application 2014 with blanket order system with a maximum contract value of USD3,550,000 (full value, after VAT). The blanket order agreements are based on estimation of actual mandays to be performed by the vendor for additional features of eMAS. As of December 31, 2020, the contract value based on the realisation payment was equal to USD3,483,970 (full amount) and the Bank has recorded the payment as fixed asset of USD3,374,630 (full amount) therefore the estimated project completion are 96.86% as of December 31, 2020.

On January 7, 2016, the Bank entered into an agreement with vendors to enhance eMAS features related to Management Application 2015 with the blanket order system with a maximum contract value of 6,000 mandays. As of December 31, 2020, the contract value based on realisation payment was equal to USD3,729,381.75 (full amount) and the Bank has recorded the payment realisation as fixed asset of USD3,148,786 (full amount), therefore the estimated project completion as of December 31, 2020 was 84.43%.

On December 14, 2016, the Bank entered into an agreement with vendors to enhance eMAS features related to Management Application 2016 with the system blanket order with a maximum contract value of 5,256 mandays. As of December 31, 2020, the contract value using the realisation payment approach is equal to USD3,518,776.75 (full amount) and the Bank has booked the value of the payment realisation as fixed asset of USD3,138,370 (full amount), so that the estimated project completion as of December 31, 2020 was 89.19%.

On January 25, 2018, Bank Mandiri entered into an agreement with vendors to enhance eMAS features related to Management Application 2017 with the blanket order system with a maximum contract value of 8,592 mandays. On December 31, 2020 the payment realisation was equal to USD2,577,565.65 (full amount) and the Bank has recorded the payment realisation as a fixed asset of USD2,544,486 (full amount), therefore the estimated project completion as of December 31, 2020 was 98.72%.

On January 25, 2018, Bank Mandiri entered into an agreement with vendors to enhance eMAS features related to Management Application 2018 with the blanket order system with a maximum contract value of 8,592 mandays. On December 31, 2020 the payment realisation was equal to USD2,379,506.30 (full amount) and the Bank has recorded the payment realisation as a fixed asset of USD1,367,306 (full amount), therefore the estimated project completion as of December 31, 2020 was 57.46%.

On May 28, 2019, Bank Mandiri entered into an agreement with vendors to enhance eMas features related to Management Application 2019 with the blanket order system with a maximum contract value of 6,141 mandays. On December 31, 2020 the payment realisation was equal to USD1,380,589.35 (full amount) and the Bank has recorded the payment realisation as a fixed asset as of USD697,240, therefore the estimated project completion as of December 31, 2020 was 50.50%.

Bank Mandri and related parties has mutually agreed the terms and conditions.

**b. Legal matters**

Currently, the Bank has a number of outstanding litigation cases, including lawsuits with debtors and/or fund owners due to disputes that had been decided by the Court where the Bank was convicted by the Court to pay compensation amounted to Rp121. Currently, the Bank is still in the legal process to appeal against the decision.

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**64. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES (continued)**

**b. Legal matters (continued)**

The Bank's total potential financial exposure arising from outstanding lawsuits as of December 31, 2020 and 2019 amounted to Rp716,546 and Rp849,421, respectively. As of December 31, 2020 and 2019, the Bank has provided a provision amounted to Rp132,478 and Rp170,021, respectively and believes that the provision is adequate.

**c. Trade Agreement with Asian Development Bank**

On November 25, 2009, Bank Mandiri has signed a contractual agreement with Asian Development Bank (ADB) through Trade Finance Facilitation Program (TFFP) which are Confirmation Bank Agreement (CBA) and Issuing Bank Agreement (IBA).

Based on CBA and IBA, Bank Mandiri can act either as confirming bank or issuing bank for export import transactions of its customers with Letter of Credit (L/C) arrangement. As a confirming bank, Bank Mandiri can request a guarantee from ADB for L/C issued by issuing bank and as issuing bank, Bank Mandiri can obtain confirmation guarantee from ADB for L/C that has been issued.

TFFP scheme is a program initiated by ADB to facilitate the L/C based trade transactions within Asian developing countries to increase the trade-volume growth. Becoming a participant in this program, Bank Mandiri will have an easier access to increase its trade finance credit lines, its trade volume and to open new business opportunities especially to countries in ADB program.

**65. GOVERNMENT GUARANTEE FOR PAYMENT OBLIGATIONS OF COMMERCIAL BANKS**

Based on the Law of the Republic of Indonesia No. 24 Year 2004 dated September 22, 2004, the Government of Republic Indonesia has established an independent agency called Deposit Insurance Agency (LPS), LPS guarantee public funds, including funds from other banks in form of demand deposits, time deposits, certificates of deposit, savings and/or other equivalent deposits.

Based on the LPS No. 2/PLPS/2014 dated September 22, 2014 regarding amendment of LPS Regulation No. 2/PLPS/2010 regarding the Deposit Guarantee Program, the maximum guaranteed amount for each customer in one bank is Rp2,000,000,000 (full amount).

The interest rate of LPS as of December 31, 2020 and 2019 is 4.50% and 6.25%, respectively, for deposits denominated in Rupiah, 1.00% and 1.75%, respectively, for deposits denominated in foreign currencies.

**66. CHANGES IN FINANCING ACTIVITIES**

Changes in liabilities arising from financing activities in the consolidated statement of cash flow are as follow:

	January 1, 2020	Cash Flow	Non-cash flow		December 31, 2020
			Differences due to exchange rate	Others	
Debt securities issued	32,245,270	5,721,589	144,670	(57)	38,111,472
Fund borrowing	54,128,562	(980,479)	(353,076)	15,682	52,810,689
Subordinated loans and marketable securities	664,217	(15,829)	2,406	172	650,966
Securities sold under agreements to repurchase	3,782,055	(2,593,152)	141,165	-	1,330,068
<b>Total liabilities from financing activities</b>	<b>90,820,104</b>	<b>2,132,129</b>	<b>(64,835)</b>	<b>15,797</b>	<b>92,903,195</b>

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**66. CHANGES IN FINANCING ACTIVITIES (continued)**

Changes in liabilities arising from financing activities in the consolidated statement of cash flow are as follow (continued):

	January 1, 2019	Cash Flow	Non-cash flow		December 31, 2019
			Differences due to exchange rate	Others	
Debt securities issued	19,088,923	13,379,710	(273,093)	49,730	32,245,270
Fund borrowing	51,653,982	3,865,402	(1,388,782)	(2,040)	54,128,562
Subordinated loans and marketable securities	685,730	(15,406)	(6,336)	229	664,217
Securities sold under agreements to repurchase	16,611,528	(12,330,221)	(499,252)	-	3,782,055
<b>Total liabilities from financing activities</b>	<b>88,040,163</b>	<b>4,899,485</b>	<b>(2,167,463)</b>	<b>47,919</b>	<b>90,820,104</b>

**67. NEW (REVISED) FINANCIAL ACCOUNTING STANDARDS**

Amendments and Improvements of Indonesian Financial Accounting Standards and Interpretations that are issued by the Indonesian Financial Accounting Standards Board (DSAK) - Institute of Indonesia Chartered Accountants (IAI), but not yet effective for current year financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Effective on January 1, 2021:

- SFAS No. 22 (2019 Amendment), "Business Combinations: Definition of Business", this amendment adopted from IFRS 3 Business Combination: Definition of Business derived from the result of joint project between International Accounting Standards Board (IASB) and US Financial Accounting Standards Board (FASB). This amendment clarified the definition of business to help entities determine whether an acquired set of activities and assets is a business or not.
- Amendments to SFAS No. 71, "Financial Instruments, Amendments to SFAS No. 55: Financial Instruments: Recognition and Measurement, Amendments to SFAS No. 60: Financial Instruments: Disclosures, Amendments to SFAS No. 62: Insurance Contracts and Amendments to SFAS No. 73: Leases on Interest Rate Reference Reforms - Stage 2". This amendment describes Interest Rate Reference Reform - Phase 2 adopted from IFRS regarding Interest Rate Benchmark Reform - Phase 2.
- SFAS No. 112: Accounting for Wakaf (Endowments) effective January 1, 2021, and earlier application is permitted. This SFAS regulates the accounting treatment for wakaf (endowments) from corporate donor to individual and corporate recipient.

Effective on January 1, 2022:

- Amendments to SFAS No. 22, "Business Combinations regarding Reference to Conceptual Frameworks". This amendment clarifies the interactions between SFAS No. 22, SFAS No. 57, ISAK No. 30 and the Conceptual Framework of Financial Reporting.
- Amendments to SFAS No. 57, "Provisions, Contingent Liabilities, and Contingent Assets regarding Aggravating Contracts - Contract-fulfillment Costs". This amendment clarifies the cost of fulfilling a contract in relation to determining whether a contract is a burdensome contract.
- 2020 Annual Adjustments - SFAS No. 71: "Financial Instruments - Fees in the 10 per cent test for derecognition of financial liabilities". The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

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**67. NEW (REVISED) FINANCIAL ACCOUNTING STANDARDS (continued)**

Effective on January 1, 2023:

- Amendments to SFAS No. 1, "Classification of Liabilities as Current or Non-current", effective January 1, 2023, and earlier application is permitted, This amendment determine the requirements to classify liabilities as current liabilities or non current liabilities.

Effective on January 1, 2025:

- SFAS No. 74, "Insurance Contract", adopted from IFRS 17, is effective January 1, 2025, with earlier application permitted for entities that have also applied SFAS 71 and SFAS 72.

The Group is still in the process of evaluating the impact of the amendments and new SFAS mentioned above to the group's consolidated financial statements.

**68. IMPACT OF IMPLEMENTATION OF SFAS 71 "FINANCIAL INSTRUMENT" AND SFAS 73 "LEASE"**

As explained in Note 2.t. the Bank adopted SFAS 71 on January 1, 2020. The impact of the implementation of SFAS 71 on the consolidated financial statements on January 1, 2020 are as follows:

**Classification of Financial Assets and Liabilities**

The table below represents the classification of financial assets and liabilities in accordance of SFAS 55 while the new classification of the financial assets and liabilities in accordance to SFAS 71 on January 1, 2020 are as follow:

Notes	Classification based on SFAS 55 December 31, 2019	Classification based on SFAS 71 January 1, 2020	Classification based on SFAS 55 December 31, 2019	Classification based on SFAS 71 January 1, 2020
<b>Financial Assets</b>				
Cash	Loan and receivables	Amortised cost	28,094,267	28,094,267
Current accounts with Bank Indonesia	Loan and receivables	Amortised cost	46,490,930	46,490,930
Current accounts with other banks - net	Loan and receivables	Amortised cost	12,558,297	12,558,297
Placements with Bank Indonesia and other banks - net	Loan and receivables	Amortised cost	37,568,760	37,568,760
Marketable securities - net				
Fair value through profit or loss	Fair value through profit or loss	Fair value through profit or loss	29,520,027	29,520,027
Available for sale	Available for sale	Fair value through other comprehensive income	19,901,176	19,901,176
Held to maturity	Held to maturity	Amortised cost	8,035,894	8,010,894
At cost	At cost	Fair value through profit or loss	-	26,147
At cost	At cost	At cost	13,875,809	13,875,809
Government bonds				
Fair value through profit or loss	Fair value through profit or loss	Fair value through profit or loss	6,253,256	6,253,256
Available for sale	Available for sale	Fair value through other comprehensive income	96,664,454	96,664,454
Held to maturity	Held to maturity	Amortised cost	18,003,259	18,003,259
At cost	At cost	At cost	8,079,331	8,079,331
Other receivables - trade transactions - net	Loan and receivables	Amortised cost	29,104,111	29,104,111
Securities purchased under agreements to resell	Loan and receivables	Amortised cost	1,955,363	1,955,363
Derivative receivables	Fair value through profit or loss	Fair value through profit or loss	1,617,476	1,617,476

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**68. IMPACT OF IMPLEMENTATION OF SFAS 71 “FINANCIAL INSTRUMENT” AND SFAS 73 “LEASE” (continued)**

**Classification of Financial Assets and Liabilities (continued)**

The table below represents the classification of financial assets and liabilities in accordance of SFAS 55 while the new classification of the financial assets and liabilities in accordance to SFAS 71 on January 1, 2020 are as follows (continued):

Notes	Classification based on SFAS 55 December 31, 2019	Classification based on SFAS 71 January 1, 2020	Classification based on SFAS 55 December 31, 2019	Classification based on SFAS 71 January 1, 2020
<b>Financial Assets (continued)</b>				
Loans and sharia loan/ financing	Loan and receivables	Amortised cost	855,846,844	855,846,844
Consumer financing receivable - net	Loan and receivables	Amortised cost	18,211,088	18,211,088
Net investment finance leases - net	Loan and receivables	Amortised cost	3,047,089	3,047,089
Acceptance receivables - net	Loan and receivables	Amortised cost	10,058,035	10,058,035
Investment in shares - net	Available for sale	Fair value through other comprehensive income	606,010	112,395
		Fair value through profit or loss	-	493,615
<b>Financial Liabilities</b>				
Obligation due immediately	Financial liabilities with amortised cost	Financial liabilities with amortised cost	3,169,451	3,169,451
Deposits from customers	Financial liabilities with amortised cost	Financial liabilities with amortised cost	247,444,267	247,444,267
Demand deposits and <i>wadiah</i> demand deposits				
Saving deposits and <i>wadiah</i> saving deposits				
Time deposits	Financial liabilities with amortised cost	Financial liabilities with amortised cost	278,176,006	278,176,006
Deposits from other banks	Financial liabilities with amortised cost	Financial liabilities with amortised cost	7,748,268	7,748,268
Demand deposits, <i>wadiah</i> demand deposits and saving deposits				
Inter-bank call money	Financial liabilities with amortised cost	Financial liabilities with amortised cost	219,360	219,360
Time deposits	Financial liabilities with amortised cost	Financial liabilities with amortised cost	5,430,238	5,430,238
Liabilities to unit-linked policyholders	Financial liabilities at fair value through profit or loss	Financial liabilities at fair value through profit or loss	24,037,658	24,037,658
Securities sold under Agreements to repurchase	Financial liabilities with amortised cost	Financial liabilities with amortised cost	3,782,055	3,782,055
Derivative payables	Financial liabilities at fair value through profit or loss	Financial liabilities at fair value through profit or loss	1,195,022	1,195,022
Acceptance payables	Financial liabilities with amortised cost	Financial liabilities with amortised cost	10,279,839	10,279,839
Debt securities issued - net	Financial liabilities with amortised cost	Financial liabilities with amortised cost	32,245,270	32,245,270
Fund borrowings	Financial liabilities with amortised cost	Financial liabilities with amortised cost	54,128,562	54,128,562
Subordinated loans and Marketable securities - net	Financial liabilities with amortised cost	Financial liabilities with amortised cost	664,217	664,217
Other liabilities	Financial liabilities with amortised cost	Financial liabilities with amortised cost	16,861,260	16,861,260

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**68. IMPACT OF IMPLEMENTATION OF SFAS 71 “FINANCIAL INSTRUMENT” AND SFAS 73 “LEASE” (continued)**

**Impact of Implementation SFAS 71 to Consolidated Financial Statements**

The table below represents the impact of implementation SFAS 71 to consolidated financial statements as of January 1, 2020:

	Balance before implementation SFAS 71	Classification and measurement	Expected credit loss	Balance after implementation SFAS 71
<b>Assets</b>				
Cash	28,094,267	-	-	28,094,267
Current accounts with Bank Indonesia	46,490,930	-	-	46,490,930
Current accounts with other banks - net	12,558,297	-	(4,865)	12,553,432
Placements with Bank Indonesia and other banks - net	37,568,760	-	(2,960)	37,565,800
Marketable securities - net	71,263,368	1,147	(40,540)	71,223,975
Government bonds	129,000,300	-	-	129,000,300
Other receivables - trade transactions - net	29,104,111	-	(82,151)	29,021,960
Securities purchased under agreements to resell	1,955,363	-	-	1,955,363
Derivative receivables	1,617,476	-	-	1,617,476
Loans and sharia loan/financing - net	855,846,844	-	(22,459,928)	833,386,916
Consumer financing receivables - net	18,211,088	-	30,573	18,241,661
Net investment finance leases - net	3,047,089	-	(51,465)	2,995,624
Acceptance receivables - net	10,058,035	-	(32,819)	10,025,216
Investment in shares - net	606,010	-	-	606,010
Prepaid expenses	3,012,550	-	-	3,012,550
Prepaid taxes	1,176,600	-	-	1,176,600
Fixed assets - net	44,612,199	-	-	44,612,199
Intangible assets - net	3,321,284	-	-	3,321,284
Other assets - net	16,750,054	-	-	16,750,054
Deferred tax assets - net	3,951,710	-	4,901,586	8,853,296
<b>Total Assets</b>	<b>1,318,246,335</b>	<b>1,147</b>	<b>(17,742,569)</b>	<b>1,300,504,913</b>
<b>Liabilities</b>				
Obligations due immediately	(3,169,451)	-	-	(3,169,451)
Deposits from customers	(850,108,345)	-	-	(850,108,345)
Deposits for other banks	(13,397,866)	-	-	(13,397,866)
Liabilities to unit-link policyholders	(24,037,658)	-	-	(24,037,658)
Securities sold under agreements to repurchase	(3,782,055)	-	-	(3,782,055)
Derivative payables	(1,195,022)	-	-	(1,195,022)
Acceptance payables	(10,279,839)	-	-	(10,279,839)
Debt securities issued	(32,245,270)	-	-	(32,245,270)
Estimated losses on commitment and contingencies	(386,039)	-	(1,844,775)	(2,230,814)
Accrued expenses	(6,215,561)	-	-	(6,215,561)
Taxes payable	(1,286,973)	-	-	(1,286,973)
Employee benefit liabilities	(7,586,150)	-	-	(7,586,150)
Provision	(405,312)	-	-	(405,312)
Other liabilities	(16,861,260)	-	-	(16,861,260)
Fund borrowings	(54,128,562)	-	-	(54,128,562)
Subordinated loans and marketable securities	(664,217)	-	-	(664,217)
<b>Total Liabilities</b>	<b>(1,025,749,580)</b>	<b>-</b>	<b>(1,844,775)</b>	<b>(1,027,594,355)</b>

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**68. IMPACT OF IMPLEMENTATION OF SFAS 71 “FINANCIAL INSTRUMENT” AND SFAS 73 “LEASE” (continued)**

**Impact of Implementation SFAS 71 to Consolidated Financial Statements (continued)**

The table below represents the impact of implementation SFAS 71 to consolidated financial statements as of January 1, 2020 (continued):

	Balance before implementation SFAS 71	Classification and measurement	Expected credit loss	Balance after implementation SFAS 71
<b>Equity</b>				
Issued and fully paid-in capital	11,666,667	-	-	11,666,667
Additional paid-in capital/agio	17,316,192	-	-	17,316,192
Differences arising from translation of financial statements in foreign currencies	13,388	-	-	13,388
Net unrealised gain/(losses) from increase/(decrease) in fair value of available for sale marketable securities and government bonds - net of deferred tax	1,385,796	-	-	1,385,796
Effective portion of cash flow hedges	(30,045)	-	-	(30,045)
Net differences in fixed assets revaluation	30,306,255	-	-	30,306,255
Net actuarial gain from defined benefit program - net of deferred tax	653,489	-	-	653,489
Other comprehensive income	85,052	-	-	85,052
Difference in transactions with non controlling parties	(106,001)	-	-	(106,001)
Retained earnings				
Appropriated	5,380,268	-	-	5,380,268
Unappropriated	137,929,792	303,362	(19,587,344)	118,645,810
Noncontrolling interests in net assets of consolidated subsidiaries	4,433,672	-	-	4,433,672
<b>Total Equity</b>	<b>209,034,525</b>	<b>303,362</b>	<b>(19,587,344)</b>	<b>189,750,543</b>

The table below represents the impact of a change from “incurred loss approach” to “expected credit loss” for financial instruments measured at amortized cost:

	January 1, 2020							
	Allowance for impairment loss based on SFAS 55			Expected credit losses based on SFAS 71				Increase/ (decrease)
	Allowance for collective impairment loss	Allowance for individual impairment loss	Total	Stage 1	Stage 2	Stage 3	Total	
Current accounts with other banks	-	3,290	3,290 <sup>1)</sup>	4,865	-	3,290	8,155 <sup>1)</sup>	4,865
Placement with other bank	-	47,675	47,675	2,960	-	47,675	50,635	2,960
Marketable securities	19,465	17,020	36,485	55,109	21,147	769	77,025	40,540
Other receivables	85,248	1,182,263	1,267,511 <sup>1)</sup>	51,885	121,198	1,176,579	1,349,662 <sup>1)</sup>	82,151
Acceptance receivables	56,560	162,884	219,444 <sup>1)</sup>	32,701	176,701	42,861	252,263 <sup>1)</sup>	32,819
Loans	7,731,691	20,289,351	28,021,042 <sup>1)</sup>	11,311,405	23,263,033	15,906,532	50,480,970 <sup>1)</sup>	22,459,928
Consumer financing receivables	354,618	-	354,618	198,276	49,154	76,615	324,045	(30,573)
Net investment finance leases	7,982	-	7,982	30,281	15,397	13,769	59,447	51,465
Commitment and contingencies	363,263	6,036	369,299 <sup>1)</sup>	765,488	1,414,454	34,132	2,214,074 <sup>1)</sup>	1,844,775
<b>Total</b>	<b>8,618,827</b>	<b>21,708,519</b>	<b>30,327,346</b>	<b>12,452,970</b>	<b>25,061,084</b>	<b>17,302,222</b>	<b>54,816,276</b>	<b>24,488,930</b>

<sup>1)</sup> Excludes Subsidiary in sharia business

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**68. IMPACT OF IMPLEMENTATION OF SFAS 71 “FINANCIAL INSTRUMENT” AND SFAS 73 “LEASE” (continued)**

**SFAS 73**

The table below represents the impact of implementation SFAS 73 as of January 1, 2020:

	January 1, 2020		
	Before implementation	Implementation of SFAS 73	After Implementation
<b>STATEMENT OF FINANCIAL POSITION</b>			
<b>ASSETS</b>			
Prepaid expenses	3,012,550	(1,533,647)	1,478,903
Fixed assets - Right of use assets			
- after accumulation depreciation	-	2,162,722	2,162,722
<b>LIABILITIES</b>			
Other liabilities - lease liabilities	-	629,075	629,075

**69. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

**Merger of PT Bank Syariah Mandiri, PT Bank BRI Syariah Tbk and PT Bank BNI Syariah**

On October 12, 2020, PT Bank Mandiri (Persero) Tbk (Mandiri), PT Bank Rakyat Indonesia (Persero) Tbk (BRI), PT Bank Negara Indonesia (Persero) Tbk (BNI), PT Bank Syariah Mandiri (BSM), PT Bank BRISyariah Tbk (BRIS), and PT Bank BNI Syariah (BNIS) signed a Conditional Merger Agreement (CMA) in relation to merger between BSM, BRIS, and BNIS.

Based on CMA, after the effective date of merger, BRIS will become the surviving entity and all shareholders of BNIS and BSM will become shareholders of the entity receiving the merger based on the merger ratio.

On October 21, 2020, the Merger Participant's Bank announced a Merger Plan in which the composition of shareholders is as follows:

	Number of Shares	Amount (Full Rupiah)	Percentage
PT Bank Mandiri (Persero) Tbk	20,905,219,378	10,452,609,689,000	51.2%
PT Bank Negara Indonesia (Persero) Tbk	10,220,230,418	5,110,115,209,000	25.0%
PT Bank Rakyat Indonesia (Persero) Tbk	7,092,761,655	3,546,380,827,500	17.4%
DPLK BRI - Saham Syariah	841,296,000	420,648,000,000	2.1%
PT BNI Life Insurance	5,250,415	2,625,207,500	0.0%
PT Mandiri Sekuritas	34	17,000	0.0%
Public	1,782,055,843	891,027,921,500	4.3%
	40,846,813,743	20,423,406,871,500	100%

The composition of the Shareholders above is the composition of Shareholders as of September 30, 2020 assuming that no minority shareholders of the merger receiving bank exercise their right to request BRI and/or the BRI Workers' Welfare Foundation (YKP) to buy back their shares and assume MESOP of BRIS is not yet exercised.

The merger plan of BSM, BRIS and BNIS has been approved by the Financial Services Authority ("FSA") of the Capital Market through letter No. S-289/D.04/2020 dated December 11, 2020. The merger is planned to take effect on February 1, 2021 and the merged bank will use the name of PT Bank Syariah Indonesia ("BSI"). Bank Mandiri will become the controlling shareholder of BSI therefore BSI's financial statements will be consolidated into Bank Mandiri's consolidated financial statements from the effective date of the merger. Up to the date of the consolidated financial statements, approval from Financial Services Authority - Banking for this merge still in process.



*These consolidated financial statements are originally issued in the Indonesian language.*

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**70. ADDITIONAL INFORMATION**

**Additional Financial Information**

The additional information presented in appendix 1 - 4 is a supplementary financial information of PT Bank Mandiri (Persero) Tbk., the Parent Entity, which presents the Bank's investment in its Subsidiaries using cost method.

**SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY**

**PT BANK MANDIRI (PERSERO) Tbk,  
STATEMENT OF FINANCIAL POSITION - PARENT ENTITY  
As of December 31, 2020  
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	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<b>ASSETS</b>		
Cash	22,030,645	25,356,393
Current accounts with Bank Indonesia	46,290,020	41,335,530
Current accounts with other banks		
Related parties	191,315	398,352
Third parties	17,150,630	9,996,763
	<u>17,341,945</u>	<u>10,395,115</u>
Less: allowance for impairment losses	(8,619)	(3,290)
Net	17,333,326	10,391,825
Placements with Bank Indonesia and other banks		
Related parties	2,315,440	1,409,074
Third parties	64,613,121	26,742,546
	<u>66,928,561</u>	<u>28,151,620</u>
Less: allowance for impairment losses	(46,578)	(47,675)
Net	66,881,983	28,103,945
Marketable securities		
Related parties	14,078,043	15,383,976
Third parties	19,137,703	17,452,896
	<u>33,215,746</u>	<u>32,836,872</u>
Add/(less): unamortised premium/(discounts), unrealised gains/(losses) from increase/ (decrease) in fair value of marketable securities and allowance for impairment losses	364,163	131,782
Net	33,579,909	32,968,654
Government bonds - net		
Related parties	141,318,618	112,502,409
Other receivables - trade transactions		
Related parties	13,951,855	14,186,619
Third parties	15,999,929	16,185,004
	<u>29,951,784</u>	<u>30,371,623</u>
Less: allowance for impairment losses	(1,643,697)	(1,267,512)
	<u>28,308,087</u>	<u>29,104,111</u>
Securities purchased under agreements to resell - third parties	54,043,600	248,143
Derivative receivables		
Related parties	199,977	18,817
Third parties	2,377,747	1,578,564
Net	<u>2,577,724</u>	<u>1,597,381</u>

**SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY**

**PT BANK MANDIRI (PERSERO) Tbk,  
STATEMENT OF FINANCIAL POSITION - PARENT ENTITY (continued)  
As of December 31, 2020  
(Expressed in millions of Rupiah, unless otherwise stated)**

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<b>ASSETS (continued)</b>		
Loans		
Related parties	164,014,705	165,431,044
Third parties	599,588,711	626,920,073
	<u>763,603,416</u>	<u>792,351,117</u>
Less: allowance for impairment losses	(58,491,446)	(27,812,363)
Net	705,111,970	764,538,754
Acceptance receivables		
Related parties	900,313	998,660
Third parties	9,119,951	9,057,052
	<u>10,020,264</u>	<u>10,055,712</u>
Less: allowance for impairment losses	(121,060)	(219,446)
Net	9,899,204	9,836,266
Investments in shares		
Related parties	8,865,222	8,459,823
Third parties	2,039	2,101
	<u>8,867,261</u>	<u>8,461,924</u>
Less: allowance for impairment losses	(27,927)	(175,420)
Net	8,839,334	8,286,504
Prepaid expenses	891,380	2,124,541
Prepaid taxes	2,083,970	974,947
Fixed assets	56,719,441	53,536,442
Less: accumulated depreciation	(12,454,995)	(10,825,270)
Net	44,264,446	42,711,172
Intangible assets	7,236,409	6,133,484
Less: accumulated amortization	(4,085,191)	(3,452,881)
Net	3,151,218	2,680,603
Other assets	16,139,571	12,934,942
Less: allowance for other impairment losses	(397,231)	(362,877)
Net	15,742,340	12,572,065
Deferred tax assets - net	6,697,667	3,350,632
<b>TOTAL ASSETS</b>	<b><u>1,209,045,441</u></b>	<b><u>1,128,683,875</u></b>

These supplementary financial information are originally issued in the Indonesian language.

**SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY**

**PT BANK MANDIRI (PERSERO) Tbk,  
STATEMENT OF FINANCIAL POSITION - PARENT ENTITY (continued)  
As of December 31, 2020  
(Expressed in millions of Rupiah, unless otherwise stated)**

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Obligations due immediately	4,286,333	3,169,451
Deposits from customers		
Demand deposits		
Related parties	88,080,879	60,152,672
Third parties	195,905,188	176,244,539
Total	<u>283,986,067</u>	<u>236,397,211</u>
Saving deposits		
Related parties	3,804,341	3,304,085
Third parties	334,894,596	312,549,148
Total	<u>338,698,937</u>	<u>315,853,233</u>
Time deposits		
Related parties	45,799,590	30,936,012
Third parties	240,471,712	231,919,085
Total	<u>286,271,302</u>	<u>262,855,097</u>
Total deposits from customers	908,956,306	815,105,541
Deposits from other banks		
Demand deposits, <i>wadiah</i> demand deposits and saving deposits		
Related parties	425,213	555,981
Third parties	3,978,191	7,549,097
Total	<u>4,403,404</u>	<u>8,105,078</u>
Interbank call money		
Third parties	655,829	219,360
Time deposits		
Third parties	<u>1,382,230</u>	<u>4,206,437</u>
Total deposits from other banks	6,441,463	12,530,875
Securities sold under agreements to repurchase - third parties	1,246,840	3,699,819

**SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY**

**PT BANK MANDIRI (PERSERO) Tbk,  
STATEMENT OF FINANCIAL POSITION - PARENT ENTITY (continued)  
As of December 31, 2020  
(Expressed in millions of Rupiah, unless otherwise stated)**

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES (continued)</b>		
Derivative payables		
Related parties	131,127	42,505
Third parties	1,378,138	982,529
Total	<u>1,509,265</u>	<u>1,025,034</u>
Acceptance payables		
Related parties	1,686,142	2,035,636
Third parties	8,334,122	8,020,076
Total	<u>10,020,264</u>	<u>10,055,712</u>
Debt securities issued		
Related parties	8,523,100	8,653,400
Third parties	22,986,664	15,702,105
	<u>31,509,764</u>	<u>24,355,505</u>
Less: unamortised issuance cost	(58,668)	(51,597)
Net	<u>31,451,096</u>	<u>24,303,908</u>
Estimated losses on commitment and contingencies	3,455,497	369,300
Accrued expenses	4,229,859	4,983,813
Taxes payable	1,264,444	846,567
Employee benefit liabilities	5,721,973	6,480,327
Provision	546,237	405,312
Other liabilities	12,816,274	8,008,669
Fund borrowings		
Related parties	1,079,019	820,151
Third parties	39,663,395	41,753,834
Total	<u>40,742,414</u>	<u>42,573,985</u>
Subordinated loans and marketable securities		
Related parties	107,750	127,750
Third parties	543,216	536,467
Total	<u>650,966</u>	<u>664,217</u>
<b>TOTAL LIABILITIES</b>	<b><u>1,033,339,231</u></b>	<b><u>934,222,530</u></b>

**SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY**

**PT BANK MANDIRI (PERSERO) Tbk,  
STATEMENT OF FINANCIAL POSITION - PARENT ENTITY (continued)  
As of December 31, 2020  
(Expressed in millions of Rupiah, unless otherwise stated)**

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<b>LIABILITIES AND EQUITY (continued)</b>		
<b>EQUITY</b>		
Share capital - Rp250 (full amount) par value per share as of December 31, 2020 and 2019		
Authorised Capital - 1 share Dwiwarna Series A and 63,999,999,999 common shares Series B as of December 31, 2020 and 2019		
Issued and fully paid-in capital - 1 share Dwiwarna Series A and 46,666,666,665 common shares Series B as of December 31, 2020 and 2019	11,666,667	11,666,667
Additional paid-in capital/agio	17,476,308	17,476,308
Treasury stock	(150,895)	-
Differences arising from translation of financial statements in foreign currencies	(306,208)	(167,543)
Net unrealised gain from increase in fair value of marketable securities and government bonds - net of deferred tax		
Fair value through other comprehensive income	4,327,705	-
Available for sale	-	1,307,487
Net differences in fixed assets revaluation	29,913,897	29,910,569
Net actuarial gain from defined benefit program - net of deferred tax	1,026,130	621,066
Other comprehensive income	85,052	85,052
Retained earnings (accumulated losses of Rp162,874,901 were eliminated against additional paid-in capital/agio as a result of quasi- reorganisation as at April 30, 2003)		
Appropriated	5,380,268	5,380,268
Unappropriated	106,287,286	128,181,471
Total retained earnings	111,667,554	133,561,739
<b>TOTAL EQUITY</b>	<b>175,706,210</b>	<b>194,461,345</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,209,045,441</b>	<b>1,128,683,875</b>

**SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY**

**PT BANK MANDIRI (PERSERO) Tbk,  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - PARENT ENTITY  
For the year ended December 31, 2020  
(Expressed in millions of Rupiah, unless otherwise stated)**

	Year ended December 31,	
	2020	2019
<b>INCOME AND EXPENSES FROM OPERATIONS</b>		
Interest income	71,880,004	76,272,259
Interest expense	(25,069,952)	(25,950,700)
<b>NET INTEREST INCOME</b>	<b>46,810,052</b>	<b>50,321,559</b>
Other operating income		
Other fees and commissions	10,916,759	12,071,993
Net income from fair value through profit or loss classification	4,970,031	3,371,980
Others	5,236,661	6,371,107
Total other operating income	21,123,451	21,815,080
Allowance for impairment losses	(17,986,706)	(9,563,820)
Provision for impairment losses on commitments and contingencies	(1,222,354)	(257,783)
Provision for other allowances	(201,853)	(43,725)
Gain on sale of marketable securities and government bonds	945,801	793,519
Other operating expenses		
Salaries and employee benefits	(13,165,187)	(12,903,630)
General and administrative expenses	(13,334,127)	(13,730,800)
Others - net	(4,194,606)	(4,057,224)
Total other operating expenses	(30,693,920)	(30,691,654)
<b>INCOME FROM OPERATIONS</b>	<b>18,774,471</b>	<b>32,373,176</b>
Non-operating income - net	220,993	57,594
<b>INCOME BEFORE TAX EXPENSE</b>	<b>18,995,464</b>	<b>32,430,770</b>
Tax expense		
Current		
Current year	(3,934,648)	(6,317,547)
Prior year	(175,592)	(201,197)
Deferred	(729,905)	(462,046)
Total tax expense - net	(4,840,145)	(6,980,790)
<b>NET INCOME FOR THE YEAR</b>	<b>14,155,319</b>	<b>25,449,980</b>

**SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY**

**PT BANK MANDIRI (PERSERO) Tbk,  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - PARENT ENTITY  
(continued)**

**For the year ended December 31, 2020  
(Expressed in millions of Rupiah, unless otherwise stated)**

	Year ended December 31,	
	2020	2019
<b>OTHER COMPREHENSIVE INCOME</b>		
Items that will not be reclassified to profit or loss		
Gains on fixed assets revaluation	3,328	3,870,948
Actuarial gain (losses) on defined benefit plan	490,495	402,679
Income tax related to the items that will not be reclassified to profit or loss	(85,431)	(80,536)
Others	-	85,052
	408,392	4,278,143
Items that will be reclassified to profit or loss		
Difference arising from translation of financial statements in foreign currencies	(138,665)	(69,497)
Changes in fair value of other comprehensive income financial assets	3,679,665	-
Changes in fair value of available for sale financial assets	-	3,631,166
Income tax related to items that will be reclassified to profit or loss	(659,447)	(682,813)
	2,881,553	2,878,856
<b>Other comprehensive income for the year - net of income tax</b>	<b>3,289,945</b>	<b>7,156,999</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>17,445,264</b>	<b>32,606,979</b>
<b>EARNING PER SHARE</b>		
Basic (full amount)	303.49	545.36
Dilluted (full amount)	303.49	545.36



These supplementary financial information are originally issued in the Indonesian language.

## SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY

### PT BANK MANDIRI (PERSERO) Tbk, STATEMENT OF CHANGES IN EQUITY - PARENT ENTITY For the year ended December 31, 2020 (Expressed in millions of Rupiah, unless otherwise stated)

	Issued and fully paid-in capital	Additional paid in capital/agio	Treasury stock	Difference arising from translation of financial statements in foreign currencies	Net unrealised gain from increase in fair value through other comprehensive income marketable securities and government bonds - net of deferred tax	Net differences in fixed assets revaluation	Net actuarial gain on defined benefit program - net of deferred tax	Other comprehensive income	Retained earnings			Total equity
									Appropriated	Unappropriated	Total	
Balance as of January 1, 2020	11,666,667	17,476,308	-	(167,543)	1,307,487	29,910,569	621,066	85,052	5,380,268	128,181,471	133,561,739	194,461,345
Impact of implementation SFAS 71	-	-	-	-	-	-	-	-	-	(19,560,224)	(19,560,224)	(19,560,224)
Balance as of January 1, 2020 after implementation of SFAS 71	11,666,667	17,476,308	-	(167,543)	1,307,487	29,910,569	621,066	85,052	5,380,268	108,621,247	114,001,515	174,901,121
Dividends payment from 2019 net income	-	-	-	-	-	-	-	-	-	(16,489,280)	(16,489,280)	(16,489,280)
Treasury stock	-	-	(150,895)	-	-	-	-	-	-	-	-	(150,895)
Income for the current year	-	-	-	-	-	-	-	-	-	14,155,319	14,155,319	14,155,319
Comprehensive income for the current year	-	-	-	(138,665)	3,020,218	3,328	405,064	-	-	-	-	3,289,945
<b>Balance as of December 31, 2020</b>	<b>11,666,667</b>	<b>17,476,308</b>	<b>(150,895)</b>	<b>(306,208)</b>	<b>4,327,705</b>	<b>29,913,897</b>	<b>1,026,130</b>	<b>85,052</b>	<b>5,380,268</b>	<b>106,287,286</b>	<b>111,667,554</b>	<b>175,706,210</b>

These supplementary financial information are originally issued in the Indonesian language.

**SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY**

**PT BANK MANDIRI (PERSERO) Tbk,  
STATEMENT OF CHANGES IN EQUITY - PARENT ENTITY (continued)  
For the year ended December 31, 2020 and 2019  
(Expressed in millions of Rupiah, unless otherwise stated)**

	Issued and fully paid-in capital	Additional paid-in capital/agio	Difference arising from translation of financial statements in foreign currencies	Net unrealised (gain)/loss from decrease in fair value of available for sale marketable securities and government bonds - net of deferred tax	Net differences in fixed assets revaluation	Net actuarial gain/(loss) on defined benefit program - net of deferred tax	Other comprehensive income	Retained earnings			Total equity
								Appropriated	Unappropriated	Total	
<b>Balance as of January 1, 2019</b>	<b>11,666,667</b>	<b>17,476,308</b>	<b>(98,046)</b>	<b>(1,640,866)</b>	<b>26,039,621</b>	<b>298,923</b>	<b>-</b>	<b>5,380,268</b>	<b>113,988,250</b>	<b>119,368,518</b>	<b>173,111,125</b>
Dividends payment from 2018 net income	-	-	-	-	-	-	-	-	(11,256,759)	(11,256,759)	(11,256,759)
Income for the current year	-	-	-	-	-	-	-	-	25,449,980	25,449,980	25,449,980
Comprehensive income for the current year	-	-	(69,497)	2,948,353	3,870,948	322,143	85,052	-	-	-	7,156,999
<b>Balance as of December 31, 2019</b>	<b>11,666,667</b>	<b>17,476,308</b>	<b>(167,543)</b>	<b>1,307,487</b>	<b>29,910,569</b>	<b>621,066</b>	<b>85,052</b>	<b>5,380,268</b>	<b>128,181,471</b>	<b>133,561,739</b>	<b>194,461,345</b>

**SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY**

**PT BANK MANDIRI (PERSERO) Tbk,  
STATEMENT OF CASH FLOWS - PARENT ENTITY  
For the year ended December 31, 2020 and 2019  
(Expressed in millions of Rupiah, unless otherwise stated)**

	Year ended December 31,	
	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from interest income	68,492,858	72,318,950
Receipts from provision and commissions income	10,916,759	12,071,993
Payments of interest expense	(25,304,751)	(25,714,188)
Receipts from the sale of government bonds - fair value through profit or loss	225,351,210	127,488,748
Acquisition of government bonds - fair value through profit or loss	(226,813,138)	(127,333,266)
Foreign exchange gains - net	1,838,938	1,971,842
Income from fair value through profit or loss classification - net	732,909	521,341
Other operating income - others	1,544,236	1,623,875
Other operating expenses - others	(3,926,575)	(2,278,780)
Salaries and employee benefits	(13,518,477)	(13,148,918)
General and administrative expenses	(10,626,917)	(12,092,651)
Non-operating income - net	218,288	57,478
Payment of corporate income tax	(3,604,058)	(6,479,893)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>25,301,282</b>	<b>29,006,531</b>
Decrease/(increase) in operating assets:		
Placements with Bank Indonesia and other banks	271,928	422,587
Marketable securities - fair value through profit or loss	(765,549)	(3,654,698)
Other receivables - trade transactions	419,839	(4,234,287)
Loans	19,096,731	(84,225,726)
Securities purchased under agreements to resell	(53,795,457)	1,391,305
Prepaid taxes	(1,109,023)	116,345
Prepaid expenses	1,233,161	(207,461)
Other assets	(2,982,304)	2,179,167
Proceeds from collection of written-off financial assets	3,692,425	4,747,232
Increase/(decrease) in operating liabilities:		
Demand deposits	47,794,109	44,561,029
Saving deposits	18,938,777	19,611,508
Time deposits	20,591,998	16,761,487
Interbank call money	436,469	(8,152,837)
Obligations due immediately	1,116,882	(673,743)
Taxes payable	(88,305)	33,085
Other liabilities	7,248,294	2,705,436
<b>Net cash provided by operating activities</b>	<b>87,401,257</b>	<b>20,386,960</b>

**SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY**

**PT BANK MANDIRI (PERSERO) Tbk,  
STATEMENT OF CASH FLOWS - PARENT ENTITY (continued)  
For the year ended December 31, 2020 and 2019  
(Expressed in millions of Rupiah, unless otherwise stated)**

	Year ended December 31,	
	2020	2019
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease in marketable securities - other than fair value through profit or loss	40,238	8,475,762
Increase in government bonds - other than fair value through profit or loss	(23,388,262)	(15,016,592)
Proceeds from sale of fixed assets	313,581	443
Acquisition of fixed assets	(1,742,000)	(2,834,228)
Acquisition of intangible assets	(1,103,250)	(1,040,797)
Acquisition of right-of-use assets*)	(926,364)	-
Capital injection to subsidiary	(408,381)	(907,000)
<b>Net cash used in investing activities</b>	<b>(27,214,438)</b>	<b>(11,322,412)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in debt securities issued	7,009,589	10,579,710
(Decrease)/increase in fund borrowings	(1,527,690)	4,877,746
(Decrease)/increase in subordinated loans and marketable securities	(15,829)	(15,406)
(Decrease)/increase in marketable securities sold under agreements to repurchase	(2,593,152)	(11,923,245)
Payment of dividend	(16,489,280)	(11,256,759)
Purchase of treasury shares	(150,895)	-
<b>Net cash used in financing activities</b>	<b>(13,767,257)</b>	<b>(7,737,954)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>46,419,562</b>	<b>1,326,594</b>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>1,165,400</b>	<b>(1,546,297)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR</b>	<b>104,192,787</b>	<b>104,412,490</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>	<b>151,777,749</b>	<b>104,192,787</b>

\*) Related to the implementation of SFAS 73 "sewa"

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**SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY**

**PT BANK MANDIRI (PERSERO) Tbk,  
STATEMENT OF CASH FLOWS - PARENT ENTITY (continued)  
For the year ended December 31, 2020 and 2019  
(Expressed in millions of Rupiah, unless otherwise stated)**

	Years ended December 31,	
	2020	2019
Cash and cash equivalents at the end of year consist of:		
Cash	22,030,645	25,356,393
Current accounts with Bank Indonesia	46,290,020	41,335,530
Current accounts with other banks	17,341,945	10,395,115
Short-term investments with a period of time maturity of three months or less from the date of acquisition	66,115,139	27,105,749
<b>Total cash and cash equivalents</b>	<b>151,777,749</b>	<b>104,192,787</b>